

**STATE OF NORTH DAKOTA
WEATHERIZATION ASSISTANCE PLAN
FOR THE UNITED STATES
DEPARTMENT OF ENERGY**

**July 1, 2010 – March 31, 2011
FY 2010**

**North Dakota Department of Commerce
Division of Community Services
1600 East Century Avenue, Suite 2
Bismarck, North Dakota**

**Shane Goettle, Commissioner
Paul T. Govig, Division Director
Cal Steiner, Program Manager**

**NORTH DAKOTA
PROGRAM YEAR 2010
WEATHERIZATION ASSISTANCE PROGRAM STATE PLAN**

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APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

1. Type of Submission:

☐ Preapplication
☒ Application
☐ Changed/Corrected Application

2. Type of Application:

☐ New
☒ Continuation
☐ Revision

If Revision, select appropriate letter(s)

Other (specify):

3. Date Received

04/16/2010

4. Applicant Identifier:

5a. Fed Entity Identifier:

5b. Federal Award Identifier:

EE0000197

State Use Only:

6. Date Received by State:

04/16/2010

7. State Application Identifier:

8. APPLICANT INFORMATION:

a. Legal Name: North Dakota Dept of Commerce

b. Employer/Taxpayer Identification Number (EIN/TIN):

450309764

c. Organizational DUNS:

802741843

d. Address:

Street 1: PO Box 2057 Century Center

Street 2:

City: Bismarck

County:

State: ND

Province:

Country: U.S.A.

Zip / Postal Code: 58601

e. Organizational Unit:

Department Name:

Department of Commerce

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr First Name: Cal

Middle Name:

Last Name: Steiner

Suffix:

Title:

Organizational Affiliation:

Telephone Number: 7012277415

Fax Number: () -

Email: csteiner@state.nd.us

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

9. Type of Applicant:

A State Government

10. Name of Federal Agency:

U. S. Department of Energy

11. Catalog of Federal Domestic Assistance Number:

81.042

CFDA Title:

Weatherization Assistance for Low-Income Persons

12. Funding Opportunity Number:

DE-FOA-0000216

Title:

Program Year 2010 Weatherization Formula Grants

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

North Dakota

15. Descriptive Title of Applicant's Project:

The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

16. Congressional District Of:

a. Applicant: ND-00

b. Program/Project: ND-00

Attach an additional list of Program/Project Congressional Districts if needed:

17. Proposed Project:

a. Start Date: 07/01/2010

b. End Date: 06/30/2011

18. Estimated Funding (\$):

a. Federal	1,969,451.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	1,969,451.00

19. Is Application subject to Review By State Under Executive Order 12372 Process?:

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on:

☒ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372

20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

21. By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code Title 218, Section 1001)**

☒ I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: First Name: Paul

Middle Name:

Last Name: Govig

Suffix:

Title: DEPUTY DIRECTOR

Telephone Number: (701)328-5300

Fax Number:

Email: pgovig@nd.gov

Signature of Authorized Representative: Signed Electronically

Date Signed: 04/27/2010

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)
Prescribed by OMB Circular A-102

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0000197		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
3. Name and Address North Dakota Dept of Commerce PO Box 2057 Century Center Bismarck ND 58601		4. Program/Project Start Date 07/01/2010	
		5. Completion Date 06/30/2011	

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DOE	81.042	\$ 0.00		\$ 1,969,451.00		\$ 1,969,451.00
2. STATE			\$ 0.00		\$ 0.00	\$ 0.00
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 1,969,451.00	\$ 0.00	\$ 1,969,451.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTRA TION	(2) PROGRAM OPERATIONS	(3) GRANTEE T&TA	(4) LIABILITY INSURANCE	
a. Personnel	\$ 6,200.00	\$ 0.00	\$ 56,400.00	\$ 0.00	\$ 62,600.00
b. Benefits	\$ 2,218.36	\$ 0.00	\$ 20,179.92	\$ 0.00	\$ 22,398.28
c. Travel	\$ 7,394.00	\$ 0.00	\$ 10,296.00	\$ 0.00	\$ 17,690.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
f. Contract	\$ 0.00	\$ 1,147,236.31	\$ 6,900.94	\$ 20,000.00	\$ 1,811,015.51
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 12,362.19	\$ 0.00	\$ 11,312.89	\$ 0.00	\$ 23,675.08
i. Total Direct Charges	\$ 28,174.55	\$ 1,147,236.31	\$ 105,089.75	\$ 20,000.00	\$ 1,937,378.87
j. Indirect	\$ 3,176.88	\$ 0.00	\$ 28,895.25	\$ 0.00	\$ 32,072.13
k. Totals	\$ 31,351.43	\$ 1,147,236.31	\$ 133,985.00	\$ 20,000.00	\$ 1,969,451.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0000197		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy 's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
3. Name and Address North Dakota Dept of Commerce PO Box 2057 Century Center Bismarck ND 58601		4. Program/Project Start Date 07/01/2010	
		5. Completion Date 06/30/2011	

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 1,969,451.00	\$ 0.00	\$ 1,969,451.00

SECTION B - BUDGET CATEGORIES					
6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) FINANCIAL AUDITS	(2) SUBGRANTE E ADMINISTR	(3) SUBGRANTE E T&TA	(4) HEALTH AND SAFETY	
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 62,600.00
b. Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 22,398.28
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 17,690.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
f. Contract	\$ 12,000.00	\$ 125,406.00	\$ 246,441.00	\$ 253,031.26	\$ 1,811,015.51
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 23,675.08
i. Total Direct Charges	\$ 12,000.00	\$ 125,406.00	\$ 246,441.00	\$ 253,031.26	\$ 1,937,378.87
j. Indirect	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 32,072.13
k. Totals	\$ 12,000.00	\$ 125,406.00	\$ 246,441.00	\$ 253,031.26	\$ 1,969,451.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE**



BUDGET EXPLANATION FOR FORMULA GRANTS

Applicant: North Dakota Dept of Commerce
Award number: EE0000197

Budget period: 07/01/2010 - 06/30/2011

1. **PERSONNEL** - Prime Applicant only (all other participant costs are listed in 6 below and form DOE F 4600.4, Section B. Line 6.f. Contracts and Sub-Grants).

Positions to be supported under the proposed award and brief description of the duties of professionals:

Position	Description of Duties of Professionals
Computer Specialist	Training, Technical Assistance and computer services
Residential Energy Technical Specialist john	Weatherization Training and Technical Assistance
Program Manager Cal	Weatherization Program Administration

Direct Personnel Compensation:

Position	Salary/Rate	Time	Direct Pay
Computer Specialist	\$55,000.00	40.0000 % FT	\$22,000.00
Residential Energy Technical Specialist john	\$55,000.00	40.0000 % FT	\$22,000.00
Program Manager Cal	\$62,000.00	30.0000 % FT	\$18,600.00
		Direct Pay Total	\$62,600.00

2. **FRINGE BENEFITS**

- a. Are the fringe cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and include a copy of the rate agreement.
- b. If a above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations as an attachment.

Health Insurance - 10%
Retirement - 9.12%
Other Insurance - .67%
Social Sec. - 6.0%
Annual Leave - 4.0%
Sick Leave - .5%
Other Benefits - 5.5%

Fringe Benefits Calculations

Position	Direct Pay	Rate	Benefits
Computer Specialist	\$22,000.00	35.7800 %	\$7,871.60
Residential Energy Technical Specialist john	\$22,000.00	35.7800 %	\$7,871.60
Program Manager Cal	\$18,600.00	35.7800 %	\$6,655.08
		Fringe Benefits Total	\$22,398.28

3. **TRAVEL** - Identify total foreign and domestic travel as separate items.

- a. Proposed travel:

Purpose of Trip	Number of Trips	Cost Per Trip	Total
Affordable Comfort	2	\$1,782.00	\$3,564.00

Site Visits/ Training	8	\$210.25	\$1,682.00
Estimator and Agency Spec. Training	4	\$508.50	\$2,034.00
National Conference or Regional Conference	2	\$1,360.00	\$2,720.00
State Weatherization Conference	2	\$379.00	\$758.00
Weatherization Coordinators Meetings	4	\$326.00	\$1,304.00
Technical Committee Meetings	2	\$434.00	\$868.00
Weatherization Monitoring	8	\$595.00	\$4,760.00
Agency Crew Support ACI 2 per agency			
Travel Total			\$17,690.00

- b. Basis for computation of travel expenses (e.g., current airline quotes, past trips, federal or organization travel policy, etc.):

All estimated trip costs are based on past trips of a similar nature using State and Federal government rates. These training and trips will take place 2010-2011

4. EQUIPMENT - As defined in 10 CFR 660.202. Definitions are at http://www.access.gpo.gov/nara/cfr/waisidx_00/10cf

- a. Basis of cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.):

- b. Equipment to be purchased and justification of need:

Equipment	Unit Cost	Number	Total Cost	Justification of Need
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5. MATERIALS AND SUPPLIES - As defined in 10 CFR 660.202.

- a. Basis cost estimates (e.g., vendor quotes, prior purchases of like items, etc.):

- b. Supplies to be purchased and justification of need:

General Category	Cost	Justification of Need
------------------	------	-----------------------

6. CONTRACTS AND SUBGRANTS - All other participant costs including subcontractor sub-grants, and consultants

For ongoing subcontractors and sub recipients described elsewhere in the application, document and item number is listed.

Name of Proposed Sub	Total Cost	Basis of Cost*
State Conference Trainers & expenses	\$4,200.94	Historical Costs
Agency Specific Training	\$0.00	Estimated
Best Practices Book update	\$0.00	Estimated actual costs
7 Weatherization Subgrantees	\$1,804,114.57	Agency T&Ta, Admin, Audit,H&S, Ins, 7Program Operations
Technical Committee Activities	\$2,700.00	Estimated actual costs
WXPro Data software	\$0.00	Estimated cost
Contracts and Subgrants Total	\$1,811,015.51	

07/08/2010

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*For example, Competitive, Historical, Quote, Catalog

7. **OTHER DIRECT COSTS** - All direct costs not included in above categories

- a. Basis for cost estimates (e.g., vendor quotes, prior purchase of similar items, etc.):

Printing, copying, postage, phone advertising and subscriptions in "Other Direct Cost" category are based on historical data.

Software Expenses: Wxeor Software Expenses (\$13,208.23) are shared between Administration (\$2575.08) and T&TA (\$10633.15). The Software (WXEOR), that calculates the SIR, develops a work, order and stores reporting information will be purchased by the state to be used in developing a comprehensive software package that will be used by both the state and local agencies. The state will have access to the data on line and the agencies will have a fully operating package that will include inventory, SIR, Job Costing and reporting capabilities.

Office Rent is based on actual costs.

Professional development is anticipated costs.

Other Expenses Admin T&Ta, Total Printing & Copying \$400.00 \$400.00. Postage \$300.00 \$300.00 Phone \$1,000.00 \$1,000.00 Advertising \$315.47 \$315.47 Subscriptions \$133.41 \$133.41 Office Rent \$3,000.00 \$0.00 \$3,000.00 Software \$2,575.08 \$10,633.15 \$13,208.23 Data Processing \$0.00 \$0.00 Office Furniture \$0.00 \$0.00 Professional Dev.\$0.00 \$285.00 \$285.00 Total\$7,590.55 \$11,051.56 \$18,642.11

- b. Other direct costs and justification of need:

General Description	Cost	Justification of Need
Data Processing	\$3,000.00	storage of information on server
Experimental training and testing	\$0.00	Incentives to agencies and state personnel to experiment
Printing, Copying, Postage, Phone, subscriptions, advertising	\$2,534.27	Historical Costs
Software	\$2,000.00	Updates to existing programs
Office furniture	\$0.00	upgrade desks
Professional Development	\$285.00	
Client Ed		Projected Costs
Office Rent	\$2,000.00	Historical Costs
Other Direct Costs Total	\$9,819.27	

8. **INDIRECT COSTS**

- a. Are the indirect cost rates approved by a Federal agency? If so, identify the agency and date of latest rate agreement or audit and provide a copy of the rate agreement.

US Department of Housing and Urban Development - Feb. 20 2004 for Federal awards for 2006

- b. If the above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations separately.

The name and phone number of the individual responsible for negotiating the State's indirect cost rates.

Name: Paul Govig

Phone Number: (701)328-4499

Indirect costs calculations:

Indirect Cost Account	Direct Total	Indirect Rate	Total Indirect
Salaries	\$66,742.00	51.2400 %	\$34,198.60
		Indirect Costs Total	\$34,198.60

U.S. Department of Energy

(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET

Expiration Date: 6-30-08

Identification: EE0000197

State: ND

Program year: 2010

Budget period: 07/01/2010 - 06/30/2011

1.03 Subgrantees

Grantee	City	Tentative	
		Funding	Units
Community Action Opportunities, Inc.	Minot	261,048.00	27
Community Action Partnership, Inc	Dickinson	328,984.00	30
Community Action Program Region VII	Bismarck	279,898.00	27
Community Action Region VI	Jamestown	206,437.00	19
Dakota Prairie Opportunity, Inc.	Devils Lake	252,608.00	27
Red River Valley Community Action	Grand Forks	207,098.00	19
Southeastern ND Community Action Agency	Fargo	268,043.00	25
TOTALS		1,804,116.00	174

1.04 WAP Production Schedule

Total Units (excluding reweatherized)	125
Units by type (excluding reweatherized):	
Owner-occupied single-family site-built	
Single-family rental site-built	
Multi-family	
Owner-occupied mobile home	
Renter-occupied mobile home	
Shelter	
Units by occupancy:	
Elderly	
Persons with disabilities	
Native American	
Children	
High residential energy user	
Household with a high energy burden	
Other unit types:	
Rewatherized Units	49

U.S. Department of Energy

(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Expiration Date: 6-30-08

Identification: EE0000197

State: ND

Program year: 2010

Budget period: 07/01/2010 - 06/30/2011

Average Unit Costs, including Reweatherization, Subject to DOE Program Rules	
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)	
A Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B Total Units Weatherized	125
C Total Units Reweatherized	49
D Total Dwelling Units to be Weatherized and Reweatherized (B+C)	174
E Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)	
F Total Funds for Program Operations	\$1,147,236.31
G Total Dwelling Units to be Weatherized and Reweatherized (from line D)	174
H Average Program Operations Costs per Unit (F divided by G)	\$6,593.31
I Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J Total Average Cost per Dwelling (H plus I)	\$6,593.31

1.05 Energy Savings

Method used to calculate energy savings:

WAP algorithm

☐

Other (describe below)

☒

Estimated energy savings: 4,563.00 (MBtu)

Estimated prior year savings:

Actual:

If variance is large, explain:

1.06 Training, Technical Assistance, and Monitoring Activities

1. MONITORING PROGRAM

Weatherization program monitoring is conducted for each subgrantee. Monitoring is undertaken to evaluate a subgrantee's compliance with Federal regulations, State policies and procedures, program production goals, quality of work performed and to identify any specific problems and initiate corrective action.

DCS staff will be engaged in weatherization monitoring activities during the entire Program Year. It is expected that DCS staff will devote approximately 20 percent of their time to program monitoring activities, both on site and in office.

Subgrantees are subjected to a monitoring program comprised of three elements: fiscal control, program review, and inspection.

Fiscal control is accomplished through the analysis of the monthly reports submitted by each subgrantee. The monthly reports are consolidated into a monthly weatherization program summary, which provides monthly and cumulative financial and production data for each subgrantee. In addition, financial personnel from the DCS will conduct on-site fiscal reviews of each subgrantee during the program year. The fiscal review focuses upon compliance with federal financial management guidelines and agency fiscal policies and procedures.

Program review focuses upon subgrantee management procedures such as records management, reporting methods,

U.S. Department of Energy

(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Expiration Date: 6-30-08

Identification: EE0000197**State: ND****Program year: 2010****Budget period: 07/01/2010 - 06/30/2011**

inspection, procurement and production. The monitor will examine procurement records and documentation of cost analysis maintained by the subgrantee. The monitor will physically inspect warehoused materials to determine if all materials meet the standards specified in C.F.R. 440, Appendix A.

The inspection aspect involves either DCS staff, a representative of DCS or a "peer" conducting individual site visits of weatherized homes in an effort to insure that the work completed was:

1. Done in compliance with the state's energy audit
2. Done in a professional manner.
3. Has been inspected for completeness.
4. Is in compliance with State field standards
5. Is in compliance with Federal regulations

During the past program year the State of North Dakota updated its Weatherization Field Standards and conducted training in the implementation of the new standards. This year, the Department of Commerce will again visit each agency to assess its compliance with the new field standards and prepare a report and a unique training plan for each subgrantee. This visit will serve as the technical monitoring during the next program year.

2. Monitoring Goals and Procedures

- a. A random sample of dwelling units completed during 2010 program year will be inspected by either staff from the Division of Community Services, or a contract monitor.
- b. The program monitor will review at least ten (10) or 5% of the completed client files (whichever is greater) during the monitoring visit. This will result in at least 70 client files being reviewed by monitoring personnel.
- c. The physical inspection will address the quality of materials and their installation. The inspector will obtain information on the type of materials used on homes subject to inspection, and compare specifications with those listed in CFR 440, Appendix A.
- d. The program and fiscal monitoring process will include an analysis of program documentation and contractor procurement procedures. Materials costs for used items will be obtained from the agency and compared with the prices paid by other subgrantees. Procurement records will be reviewed to determine if materials were purchased in reasonable quantities and if free and open competition was permitted in the procurement of materials and services.
- e. The technical monitor and program monitor will compare work orders with the priority lists generated by the WXEOR audit program to determine if the audit program was followed and where deviations from the audit were observed, there is adequate written justification. The final inspections performed by subgrantees will be cross inspected by a contract inspector or representative of DCS. Oversights will be noted in the inspection report and appropriate follow-up actions will be required.
- f. The inspection procedure for each home will evaluate compliance with the computerized audit priority list and North Dakota Weatherization Field Standards. The inspector will review each client file for content of required documentation, including an approved application, job order, inspection form and purchase orders or warehouse slips for the materials applied. A physical inspection of the unit is then conducted. The inspection will follow an inspection checklist. Observations of discrepancies or deficiencies will be recorded on the checklist. The physical inspection consists of visual examination of the exterior and interior of each dwelling to confirm the presence of materials as listed on the job order and assess the quality of workmanship.
- g. The inspector will be accompanied at on-site visits by a representative of the sub-grantee; usually the weatherization coordinator or an estimator. Any findings and recommendations for improvement will be discussed with the subgrantee on site, during an exit interview and in writing as part of the monitoring report. Fiscal or programmatic deficiencies identified in the monitoring process will be addressed in the following manner:
 1. The subgrantee will be informed of any deficiencies. The monitoring report will contain specific recommendations for improvement.
 2. A follow-up of the subgrantee's effort to implement recommendations will be conducted within a prescribed period of time.

3. Training sessions will be conducted to resolve shortcomings that are apparently widespread among subgrantees.

U.S. Department of Energy

(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Expiration Date: 6-30-08

Identification: EE0000197

State: ND

Program year: 2010

Budget period: 07/01/2010 - 06/30/2011

4. Ineligible expenditures of material, program support or administrative funds will be disallowed. The subgrantee will be required to reimburse disallowed costs from non-federal funds.

5. If remedial measures fail to eliminate significant fiscal or programmatic problems, the Division of Community Service has several options:

- (i) institution of probationary reporting procedures;
- (ii) converting subgrantee payments from advance to a reimbursement basis; and
- (iii) suspension or termination of grant award.

3. Monitoring Schedule

For PY'10 the Division of Community Services proposes the following monitoring schedule:

July - Southeast North Dakota Community Action, Fargo, North Dakota

Aug - Community Action Region VI, Inc., Jamestown, North Dakota

Aug - Red River Community Action, Grand Forks, North Dakota

Sept- Dakota Prairie Community Action, Devils Lake, North Dakota

Sept Community Action Opportunities, Inc., Minot, North Dakota

Oct- Community Action & Development Program, Dickinson, North Dakota

Nov - Community Action Program Region VII, Bismarck, North Dakota

1.07 DOE-Funded Leveraging Activities

None

1.08 Policy Advisory Council Members (names, groups, agencies)

Melvin Zent / City Of Dickinson	
Jeff Hoff / Ottertail Power	
Ron Knutson, ND Department of Human Services / Economic Assistance	Ron Knudson
Rory Hoffman/Jamestown CAA, Coordinators Rep.	
Gordy Christenson, Heartland Village / Private Company	
Tony Clark / PSC	
Carl Peterson / North Dakota Extension Service	
Robert Kilichowski / Public Representative	
Tamie Aberle / Montana-Dakota Utilities Company	
Susan Wefald / North Dakota Public Service Commission	
Jim Thorsen / Utility	
Julie Vossler / Reservation/Low income	

1.09 State Plan Hearings (send notes, minutes, or transcript to the DOE office)

Hearing Date	Newspapers that publicized the hearings and the dates that the notice ran.

II.10 Adjustments to On-File Information

Comments and transcript from the state plan hearing

U.S. Department of Energy

(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Expiration Date: 6-30-08

Identification: EE0000197

State: ND

Program year: 2010

Budget period: 07/01/2010 - 06/30/2011

North Dakota's Weatherization Assistance Program Year 2010

State Plan Public Hearing

July 28th 2010, 1:00 p.m.

Comments will be input after the meeting.

II.11 Miscellaneous

U.S. Department of Energy

(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Expiration Date: 6-30-08

Identification: EE0000197**State: ND****Program year: 2010****Budget period: 07/01/2010 - 06/30/2011**

Policy and Advisory Council will advise the Department of Commerce and the ND Weatherization Program on issues where there is disagreement between the state and other parties. I will also have input into the State Plan and its Policies and Procedures. They will also be used to assist the agencies and state in securing leveraging funds. It will meet at least 1 time per year for the purpose of input and training needs. This year emphasis will be put on training the members and addressing furnace replacement issues as well as multi-family structures.

2009 Minutes follow:**ND Weatherization Committee Meeting****Location: Association of Counties****August 19, 2009 – 1:00 pm**

Attendees: Cal Steiner, John Diem, Joleen Leier, Rep. Robert "Tork" Kilichowski, Melvin Zent, Gordy Christensen, Carl Pedersen, Kathy Williams, Jim Thorsen, Lanny Duhamel, Bruce Hagen, Tamie Aberle, Ron Knutson, Susan Wefald, Jeff Hoff, John Meyer, Willy Jodehl, and Tony Clark.

Cal called the meeting to order at 1:01 pm. Cal thanked everyone for participating. Cal reviewed the purpose of the committee.

Election of Officers

We are looking for a low income representative to sit on this committee. We need to have this in place by the next meeting. If you know of someone who is qualified, please submit names to Cal. A ballot will then be sent out to the committee for voting.

Discussion and Input

Reason we are here is the ARRA stimulus money received. Cal explained the program.

Savings to investment ratio – The entire program runs on the Savings to Investment Ratio. Whatever we do must have a ration of 1. Anything between 1 – 1.5, the agency has the option to decide if they will do this.

Health and Safety Issue – We can spend money on issues that affect clients based on what we have done.

Allowed by DOE to spend an average of \$6,500 per home.

Cal went through a slide presentation (found in binder under "Presentations" tab).

Cal reviewed the contents of the binder.

Amendment Changes

Policy 600.50 – Pg. 84 - Used to only be able to replace furnace if cracked heat exchange for people that

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(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Expiration Date: 6-30-08

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owned the house. The clients had to pay a cost share as well (approx. 15-30%), change per agency. DOE said we need to standardize program. DOE's intention was to (1) create jobs, (2) save energy, (3) stimulate economy. Thus, we need to change our policy.

Amendment to this policy is found on page 102 under the "ND Policies & Procedures" tab.

The Community Action Agencies worked together to propose another policy. The proposed changes are in red and italicized (see below; they are also located in the "Agenda" section, page 2):

When the heating system is replaced in a rental property for health and safety reasons or savings to investment ratio, the Community Action Agency will pay *not more than 50%* of the cost of the *Agency approved bid* for replacement with a maximum payment not to exceed \$1,500.00 per eligible unit. A waiver policy will be in effect so agencies have the option to waive the landlord copayment if *the structure is defined by DOE as a single family unit, the owner is a non-profit or low income, as defined by the then current ARRA eligibility guidelines, or the client, by agreement with the owner, is not paying rent. This policy is in effect until the end of the ARRA program or ARRA funds are spent, whichever comes first. The owner may use another contractor acceptable to the Agency by so notifying the Agency and paying that portion of the installation costs in excess of the above.* We feel the landlord contribution for weatherization activities *not including the heating system should be waived for the period of the ARRA funding source.*

There was discussion regarding the proposed policy. There was some concern regarding landlords qualifying for the program when actually they may not qualify for the program financially. There was a comment that since this may happen such a small percentage of the time that it should be left up to the agency to make the decision (if the waiver is approved and implemented).

Tork Kilichowski moved to accept the changes as written in the 1st paragraph by the WX Coordinators. The motion was seconded by Mel Zent. One opposed. Motion passed.

Susan Wefald moved that if the tenant pays his/her own heat, no co-pay is applicable; if the landlord pays the heat, \$150 copay per unit will be paid by the landlord, with the same waiver policy as listed above. The motion was seconded by Mel Zent. One opposed. Motion passed.

Cal and John demonstrated some of the equipment used by the agencies. This equipment helps determine what types of weatherization is needed in a home.

The agencies started spending the stimulus money on August 1, 2009 on homes. They have increased staff and acquired additional equipment. They currently have approximately 100-200 applications pending per agency.

Cal stated North Dakota has the best Weatherization program in the country. North Dakota does the work that needs to be done, according to the SIR. The State is committed to the spending out of the stimulus money efficiently. You are part of a good organization.

Cal thanked everyone for participating in today's meeting.

Election of Chairman

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WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

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Cal explained the need to elect a chairman at this time.

Kathy Williams nominated Rep. Robert "Tork" Kilichowski for chairman of the ND Weatherization Committee. Tork accepted the nomination. All approved. "Tork" Kilichowski has been elected the chairman.

Meeting was adjourned at 3:27 pm.

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STATE PLAN/MASTER FILE WORKSHEET

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This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

2.01 Eligible Population

2.01.1 General Description

Definition of income used to determine eligibility:

2.01 Eligible Population.

2.01.1. General Discussion

The latest U.S. Census Bureau population estimates, North Dakota's population decreased by 1.2 percent between 2000 and 2002. As of July 1, 2002, the state's population totaled 634,110, an increase of 8,090 people since the 2000 Census. The population within North Dakota continues to be concentrated in the counties in which the State's major communities are located. The top five counties, which include Cass, Grand Forks, Burleigh, Ward, and Morton, represent more than 50 percent of the total population in North Dakota.

The definition of poverty and the resulting "poverty guidelines" for the Federal Government are established and updated annually by the Department of Health and Human Services (HHS). These guidelines are the primary determinate when deciding a person's or family's financial eligibility for assistance or services under a particular program, and are sometimes incorrectly referred to as the OMB (Office of Management and Budget) poverty guidelines. However, OMB does not issue and has never issued the poverty guidelines, and the authority for issuing the poverty guidelines for administrative purposes has always been the responsibility of HHS.

Using the HHS guidelines, the 2000 Census revealed that the poverty status among North Dakotans decreased 17.8%, from 88,276 in 1990 to 73,457 in 2000. Extrapolating this data and applying it to the total number of total households within the state (257,152) yields a present estimate of 34,171 households that have incomes below the poverty level.

Department of Energy's Weatherization Assistance Program regulations 10 CFR Part 440.22 (a)(1) and 10 CFR Part 440.22 (a)(3) limits assistance to those dwelling units occupied by a family unit "whose income is at or below 150 percent of the poverty level" or "If the State elects, is eligible for assistance under the Low-Income Home Energy Assistance Act of 1981, provided that such basis is at least 150 percent of the poverty level." Where a County Social Service Eligibility Technician may review the household income the State of North Dakota will use the LIHEAP income guidelines in its' administration of the Weatherization Assistance Program. When the eligibility review is not done at the County level, Subgrantees will be allowed to use the DOE eligibility definition.

According to North Dakota's fiscal '05 Low Income Energy Assistance Program State Plan of Operation, eligibility for services is determined by the following criteria:

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STATE PLAN/MASTER FILE WORKSHEET (continued)

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2.01.2 LIHEAP Income Eligibility Criteria

1.Income

- a. The maximum income eligibility limit for heating assistance is 60% of the state median income as updated annually in the Federal Register by the U.S. Department of Health and Human Services, under authority of section 673(2) of the Omnibus Budget Reconciliation Act of 1981, that are in effect at the beginning of this federal fiscal year and subsequent federal fiscal years.
- b. Income is defined as the adjusted gross income of all household members from all sources except those excluded in item c below. Income is considered received when it is normally available. All sources of income will be converted to an annual amount to be comparable with the current maximum eligibility income levels, in the following manner [except as described in (5)]:

(1) The household's current non-exempt adjusted gross income received in the month of application, reapplication, and each proceeding month of the heating season, is annualized by multiplying a monthly payment times 12; a weekly payment times 52; and a bi-weekly payment times 26. (Applications received prior to October 1 will be based on the income expected to be received in October, the first month of the heating season.) This amount is added to the other sources of annualized income described below.

(2) One time only or periodic income that is not the conversion of an asset, such as interest income or the unobligated portion of a loss settlement, will be annualized by multiplying the amount received in a single payment by the number of times received in a 12 month period.

(3) The total amount of income specified in an annual employment contract, as with school personnel, will be included in the total annualized income regardless of the amount received in the current month.

(4) The total from an annual income source, such as business and farm income, is included in the total annualized income, regardless of the amount received in any one month. Annual income sources are usually reported on and verified by the most recent tax form. The gross income reported on a tax form is reduced by the amount of necessary operating expenses, excluding depreciation. In some cases, such as a new business or substantial business increase or reversal, the most recent tax form may not accurately indicate current income. In such cases, the current actual business income and expenses will be reported and verified to the extent practical. Each business/farm income, including partnerships and family controlled corporations, shall be reported and computed separately. A reported income loss shall be revised to zero income before

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STATE PLAN/MASTER FILE WORKSHEET (continued)
Identification Number: EE0000197, State: ND, Program Year: 2010

being added to the income of another business and to other sources of annualized income described above.

(5) For those applicants for whom a source of income has changed between two consecutive months by \$400 or more; or if the household's reported income in a current month is at or near zero, the income will be annualized using a three month average as follows:

- (a) The sum of the prior month's income, the current month's income and a projection of the following month's income will multiplied by four to convert to an annual figure.
- (b) When no reliable projection of the following month's income can be obtained, the income in the current month will be substituted in the above formula.

(6) Whenever it can conclusively be demonstrated that the household income annualized in the manner described above is not the best indicator of the household's ability to pay their fuel costs, the State Program Director may approve or promulgate an alternative method for the household that is reasonable and equitable.

- c. The following types of income will be excluded: (See paragraph 2 below for exemption or non-exemption of income received from assets.)
 - (1) Income over which the household has no control, such as, but not limited to, reimbursements and payments made to others on the household's behalf, if such payments were not directed by the household.
 - (2) Small and irregular income that is administratively difficult to consider, document, or compute, such as, but not limited to, gifts and contributions or income from the sale of craft items, rummage sales, odd jobs, bingo/gambling winnings and so on. "Irregular" income is defined as income that is not assured and is received at unscheduled intervals. "Small" income is defined as income that is less than \$360 per year.
 - (3) The first \$100 of monthly board and room payments, or the first \$25 of "room only" payments. The boarder and/or roomer is not a member of the household and the bedroom used is not included in computing benefits.
 - (4) Loans

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- (5) Earnings of a dependent child under age 19, so long as the child is enrolled as a student in an elementary or high school.
- (6) TANF grant amounts for students away at college (the student is not counted as a member of the household).
- (7) The special needs portion of the TANF grant.
- (8) Income tax refunds and earned income tax credits.
- (9) Retroactive payments such as from Social Security, etc., if the ongoing amount of such payments is reflected in the current month's income.
- (10) Income from the developmentally disabled family home subsidy.
- (11) Payments received for providing child or adult foster care.
- (12) Reimbursements for meals provided by day care providers.
- (13) Reimbursement for transportation, day care and other employment or training costs under JOBS.
- (14) The value of free or reduced shelter costs that are received as a required part of an employment agreement, as a gift or through a governmental housing assistance program.
- (15) Educational loans, grants, scholarships and work-study wages to a *bona fide* higher education student.
- (16) The portion of a loss settlement obligated to replace the loss, pay off indebtedness or otherwise obligated by the loss. Any portion of the settlement above indebtedness or replacement cost is unobligated and available and counted as unearned income.
- (17) JOB incentive payments
- (18) Any amount necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act (SSI) will not be counted as income to the household.

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STATE PLAN/MASTER FILE WORKSHEET (continued)

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(19) Income excluded by Federal law:

- (a) Payments, other than wages, to volunteers, and payments for supporting services or reimbursements of expenses to foster grandparents, senior health aides, senior companions, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), VISTA and any programs under Titles II and III of Section 418. (Public Law 93-113)
- (b) Assistance to individuals other than wages, under the Older Americans Act of 1965, Public Law 96-478.
- (c) Supplemental Food Program for Women, Infants and Children (WIC), Public Law 94-105, and the National School Lunch Program, Public Law 90-302.
- (d) Wages, allowance, or reimbursement for transportation and attendant care costs under Title VI of the Rehabilitation Act of 1973 (Title II, Public Law 95-602).
- (e) Community Services Block Grant (CSBG) and Social Services Block Grant (SSBG) Flood Relief Program monies to assist in the needs of urban residents who experience property damage due to flooding. These monies are considered a reimbursement for a past or future expense.
- (f) Food Stamp Benefits, Public Law 95-113, and Food Commodities, Public Law 74-320.
- (g) Public Law 101-201 dated 12/6/89 exempts income from the "Agent Orange Settlement Fund".
- (h) Payments received under the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Public Law 91-646).
- (i) Payments made to VISTA volunteers or to other volunteers under the Domestic Volunteer Service Act of 1973 (42 USC 5044 (g) (1)).
- (j) Utility allowances by governmental housing assistance program under Section 927 of Public Law 102-55, the "Housing and Community Development Act of 1992".
- (k) Public Law 97-403 exempts Indian funds distributed on a per capita basis. Per capita payments from gambling profits are counted as unearned income.
- (l) The first \$2000 per year in income derived from Indian trust lands (Section 13736 of Public

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Law 103-66 amends 25 USC Section 1408).

- (m) Payments to Aleuts relocated to the United States under the Aleutian and Pribilof Islands Restitution Act (Public Law 100-183, Section 206 of Title II); and payments made under the Civil Liberties Act of 1988 to American-Japanese citizens interned during World War II (Public Law 100-383, Section 105 of Title I).
- (n) Major Disaster Relief and Emergency Assistance under Public Law 100-707.
- (o) Payments received under Public Law 103-286, Subsection 1 (a) from a foreign government for restitution made to victims of Nazi persecution.
- (p) Job Training Partnership Act, Public Law 97-300, Summer Youth Employment and Training Program
- (q) Payments received from Americorps for education award monies up to \$4,725 will not be counted as income. Monies received as a "living allowance" (stipend) of up to \$7,500 will not be counted as income.
- (r) Educational assistance paid directly to a family by the Fort Berthold Three Affiliated Tribes under the Carl D. Perkins Vocational and Applied Technology Education Act to help single parents pay for some of their child care costs is not considered as income, and the corresponding child care costs will not be allowed as deductions.
- (s) Services provided to families under the Family Investment Center Program through the Department of Housing and Urban Development (HUD).
- (t) Compensation made to crime victims under the Crime Act of 1984. (P.L. 103-322)
- (u) Payments made pursuant to the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act. (P.L. 103-436).
- (v) All income, allowances and bonuses received as a result of participation in the Job Corps Program
- (w) Subsidized Guardianship payments
- (x) Payments to children of Viet Nam veterans who are born with spina bifida.

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- (y) Interest from savings accounts and Certificates of Deposit.
- d. The following expenses are deducted from the household's gross income:
 - (1) Paid or predictable annual medical expenses defined as allowable medical costs in the North Dakota Food Stamp Program Manual Chapter 430-06-05 to include health insurance premiums and prescribed family home care provided by a source or individual that is not a household member.
 - (2) Alimony and/or child support payments actually paid to persons outside the household.
 - (3) Out of pocket child care costs required for employment or training purposes that are not reimbursed to the household from any source.
 - (4) 27% of earned income to compensate for income withheld for payments made for social security and federal and state taxes.
 - (5) \$300 per month for extra maintenance costs, less employer reimbursement or subsistence allowance, may be deducted from the earnings of the head of the household or spouse who must reside away from home for the full work week for employment purposes. This deduction is prorated if the worker is away from home for less than the full work week, but no deduction is allowed if the absence is less than 50% of the work week.
 - (6) \$300 per month, less any portion of exempt educational income that is available for living costs, may be deducted from the household's income for extra maintenance costs of the head of household or spouse who must reside away from home for the full work week for educational purposes. This deduction is prorated if the student is away from home for less than the full work week, but no deduction is allowed if the student is away less than 50% of the work week.
 - (7) Taxes withheld from pension payments.
 - (8) The amount of wages garnished or deducted by law or by court order.
 - (9) Additional significant unusual mandatory employment education or other expenses not described above but determined by the State Program Director to reduce the income available to

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STATE PLAN/MASTER FILE WORKSHEET (continued)

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the household.

- e. The result or sum for the month of application, or reapplication, and for each prior month determines the household's eligibility for such month, and is also used to compute or recompute benefits. Eligibility for subsequent months is based on the certification done for the month of application/reapplication.
- f. Changes in income and/or deductible expenses do not have to be reported and will not trigger a revision in benefits. Income changes will be factored into the benefit formula only when at least one of the other eligibility factors named in Section J, 1, g triggers a re-computation. The effective date of the change shall assure fair and proper notification to households and their suppliers. (See Section J, 1, g for benefit re-computations due to changes.)
- g. Assets
 - a. No household that has non-exempt real and personal property assets that exceed an equity value of \$8,000, plus \$2,000 for each household member 60 years of age and over, will be eligible to receive heating assistance.

The equity of all assets held by any household member is considered available to the household unless specifically exempt, or if the household can demonstrate that the asset is not available.

- b. The following real property is exempt:
 - (1) The household's primary residence, defined as a home which is owned and occupied by a family as its main place of residence. The primary residence is not subject to any value limitation. Any form of living unit, if used by the family for living purposes, is considered a primary residence.
 - (2) A primary residence is further defined as including the land on which it is located, provided the acreage does not exceed 160 contiguous acres if rural, or two contiguous acres (or the minimum required by city zoning ordinance if greater) if located in a town.
 - (3) Real property that produces income commensurate with prevailing community rates. However, the income produced by this real property is included under the income limitations for eligibility.

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- (a) Real property that produces little or no income will also be exempt if a bona fide, but unsuccessful effort to rent and/or sell the property at acceptable community rates can be verified.
- (b) 25 USC Section 1408 as amended exempts individual Indians' interests in trust or restricted lands. (See H 1c(18)(l) for treatment of income.)
 - (4) Contractual rights to receive money payments from the sale of real property, if the contract is producing income commensurate with prevailing community rates. The interest income produced by the Contract, less expenses, is included in the household's total income. Payments received on the principle of the Contract may be an exempt or non-exempt asset, depending on the disposition of the funds received.
 - c. The personal property of all members of the household is also included in the total resources available to the household, including the equity value of all liquid and non-liquid assets.
 - (1) The Term "liquid assets" is defined as any resource which can readily be converted to cash, and includes cash on hand, checking accounts, savings accounts, stocks, bonds, individual Indian monies and other negotiable instruments. Exempt liquid assets are:
 - (a) The cash surrender and loan value of life insurance.
 - (b) Annuities or other pension plans as long as the money remains in the pension fund. Monthly or regular payments from the pension fund according to the plan are counted as income, as will withdrawals from IRA's, Keogh plans, etc., when those withdrawals can be made without penalty. However, a one time only payoff of all funds in the pension or annuity is considered a conversion of an asset.
 - (c) A maximum of \$3,000 of an asset designated by the household expressly to pay for burial costs of members of the household who are age 60 and above, that is not commingled with other funds and not withdrawn from the account.
 - (d) Savings that results from the earned income, and/or up to \$250 in savings resulting from gifts, of a dependent child under the age of 19 who is in elementary or high school.
 - (e) Student loans and loans for a business/farm current year operating expenses provided such loans are set aside in a separate account.

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Periodic or annual current income that exceeds a single month and is held in a liquid asset for future monthly living costs.

- (f) Indian per capita payments held in a separate account. If commingled with other funds, this exemption is limited to six months from the date commingled.
- (g) Liquid assets resulting from payments received from VISTA.
- (h) Payments received under the Civil Liberties Act of 1988 by American-Japanese citizens displaced during World War II (Public Law 100 section 105 of Title I); and under the Aleutian and Pribilof Islands Restitution Act, Public Law 100-283, Section 206 of Title II for Aleuts relocated by the U.S. government during World War II
- (i) Any amount necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act (SSI)
- (j) Payments received under Public Law 103-286, Subsection 1(a) from a foreign government for restitution made to victims of Nazi persecution.
- (k) Payments made for major disaster and emergency assistance under the Disaster Relief and Emergency Assistance Amendments of 1988, Section 105 of Public Law 100-707 (45 USC 5141 et seq.).
- (l) Payments received under Public Law 101-2-1, section 1(a) and P.L. 101-239, section 10405 regarding Agent Orange settlements.
- (m) Income acquired during a month cannot be considered as an asset in the same month.
- (2) Non-liquid assets are defined as the equity in any other resource that can be converted to cash. Examples are equity in snowmobiles, motorcycles, recreational vehicles, and grain in a bin and livestock ready for sale. All non-liquid assets are considered available resources except:
 - (a) Clothing, personal effects and household goods, such as television sets (including a satellite disk) furniture, appliances, etc.

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STATE PLAN/MASTER FILE WORKSHEET (continued)

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(b) Grain necessary for seed and feed, and grain stored for a maximum of 12 months after harvest.

(c) Livestock for dairy and breeding purposes.

(d) Business inventory.

(e) Tools, machinery and vehicles necessary for employment

(f) One licensed family vehicle

(g) Burial plots, markers, stones, vaults and caskets that are not included in a pre-paid burial contract and that are not transferable.

(h) Any other non-liquid asset that cannot be converted to available funds if a *bona fide* but unsuccessful effort to do so can be verified.

d. The total amount of funds held in any type of joint account is considered an available asset for each of the co-owners unless the applicant can verify that the funds are, in fact, the sole possession of only one owner that has the generally recognized authority to direct disbursement.

e. Funds held in trust for a household member are considered an available asset if a household member is the trust grantor and all trust beneficiaries are household members; a household member is the trust grantor and the trust is revocable; any member of the household has the power to influence the amount or conditions under which distributions from the trust are made to beneficiaries who are members of the household; the trustee(s) have discretion to determine if distributions may be made to any beneficiary who is a member of the household; or the trustee(s) are required to make distributions to any beneficiary who is a member of the household.

f. Any household member who knowingly transfers a non-exempt resource after the June 1 preceding the beginning of the federal fiscal year for the purpose of qualifying, attempting to qualify, or continuing to qualify for heating assistance benefits shall be denied heating assistance benefits for this federal fiscal year.

3. Ineligible Households

a. Households that pay rent in a government - subsidized housing project or program and are not

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STATE PLAN/MASTER FILE WORKSHEET (continued)

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directly responsible for home energy costs are considered to be fully protected from the rising costs of heating fuel and are not eligible for additional fuel assistance. The rental costs for these households are based on a fixed percentage of the household's income and/or other factors, and does not increase or decrease when fuel costs increase or decrease.

- b. Households that receive free home energy as a required condition of employment, as a gift, or through an enforced legal action (divorce/separation) are also considered fully protected from the rising costs of heating fuel.
- c. Households that occupy housing units that are excluded in the definition of a living unit in a residential dwelling in Section E, 7 are ineligible households.
- d. Aliens legalized under the Immigration Reform and Control Act of 1986 that are not permitted to receive assistance for 5 years, illegal aliens, and aliens holding student Visa's and their dependents.

4. Verifications

- a. All household income must be reported on the application. All sources and types of income and deductible expenses must be verified by written documentation except income and deductible expenses that are less than \$500 per year. The documentation is retained in the county social service board case file, or a notation is made in the case file that the written documentation was examined by the county social service board representative or that the documentation is in another assistance program file.

These procedures and policies for verifying income are consistent with those used by one or more of the programs specified in 2605 (j) of the Act.

- b. Verification may be required of the applicant's statement of resources or assets, or any other factor of eligibility and benefit determination, whenever the statement is questionable in the judgment of the county social service board representative. Other eligibility and/or benefit determination factors include, but are not limited to, the identity of the applicant and/or individual responsible for heat costs, location and size and type of home, type of fuel, vendor, various dates, household composition, and vulnerability. If the required verification is refused, the application may be denied.
- c. Only during a household heating emergency that either occurs outside of the county social

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service board's office hours or verification for eligibility purposes cannot immediately be obtained; or during a natural disaster declared by the governor, may the minimum amount of fuel practical be authorized without a signed heating assistance application and necessary verifications. The application and necessary verifications will be secured as soon as possible, and if ineligible, the household will refund all LIHEAP funds expended or committed.

The grant agreement (Appendix B) between the Division of Community Services and its subgrantee organization stipulates that only eligible dwelling units may be weatherized with funds from the Weatherization Assistance Program. Applicants are screened for eligibility under the criteria established in the grant agreement. Eligibility for the program will be determined in accordance with the criteria established for North Dakota's Low Income Home Energy Assistance Program. Applications are reviewed by the outreach worker, weatherization coordinator of the subgrantee organization. A sample of approved applications is reviewed by state monitoring personnel in the annual program review. Private auditors also review approved applications during annual subgrantee audits. If ineligible applicants have received weatherization assistance, the costs incurred will be declared ineligible and must be reimbursed from non-federal sources.

All homes weatherized with DOE funds since September 30, 1993 are ineligible for additional weatherization assistance. However, DOE allows weatherization funds to be used to reweatherize units which were partially weatherized with DOE funds, during the period of September 30, 1977, through September 30, 1993. Regulations also permit reweatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed repairs to weatherization materials are not covered by insurance. Therefore, the State will allow the reweatherization of qualified units during the 2007 Plan Year.

To qualify a unit for reweatherization, the occupant must reapply and be determined eligible for assistance. A new energy audit must be completed to determine which measures and materials should be installed on the basis of current standards. Under no circumstances will subgrantees be allowed to install similar measures in homes being reweatherized that were installed during the first weatherization visit.

Applications for reweatherization must be assigned a lower priority than applications for units that have not previously been served.

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2.01.3 DOE Income Eligibility Criteria

Definition of Income

Refers to total annual cash receipts before taxes from all sources, with the exceptions noted below. Income data for a part of a year may be annualized in order to determine eligibility - for example, by multiplying by four the amount of income received during the most recent three months. The method of calculation is to be determined by the Grantee. Grantees should have a consistent policy covering its subgrantees on re-certification of applicants whose eligibility may have changed due to the length of time that may have expired awaiting weatherization services.

Income includes all money, wages and salaries before any deductions; net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses). Income also includes regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments; private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

INCOME EXCLUDES capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; one-time payments from a welfare agency to a family or person who is in temporary financial difficulty; tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. **INCOME ALSO EXCLUDES** non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefit programs as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance. Note: **CHILD SUPPORT PAYMENTS AND COLLEGE SCHOLARSHIPS ARE EXCLUDED.**

Income Eligibility Guidelines 2010
Weatherization Program

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# of Persons in Household	LIHEAP 60% of State Median Income	DOE Income Guidelines 200% of Poverty Level
1	21,332	21,660
2	27,896	29,140
3	34,459	36,620
4	41,023	44,100
5	47,587	51,580

Procedures to determine that units weatherized have eligibility documentation:

Verifications

a. All households which qualify for weatherization assistance through LIHEAP must report income on the fuel assistance application. All sources and types of income and deductible expenses must be verified by written documentation except where income and deductible expenses that are less than \$500 per year. The documentation will be retained in the county social service board case file, or a notation is made in the case file that the written documentation was examined by the county social service board representative or that the documentation is in another assistance program file. These procedures and policies for verifying income are consistent with those used by one or more of the programs specified in 2605 (j) of the Act.

The grant agreement between the Division of Community Services and its subgrantee organization stipulates that only eligible dwelling units may be weatherized with funds from the Weatherization Assistance Program. Applicants are screened for eligibility under the criteria established in the grant agreement and must provide sufficient documentation to the subgrantee to establish reasonable certainty of their income. Eligibility for the program will be determined in accordance with the criteria established for North Dakota's Low Income Home Energy Assistance Program or by using the income guidelines provided by the Department of Energy for the program. Applications are reviewed by an outreach worker or the weatherization coordinator of the subgrantee organization. A sample of approved applications are reviewed by state monitoring personnel in the annual program review. Private auditors also review approved applications during annual subgrantee audits. If ineligible applicants have received weatherization

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assistance, the costs incurred will be disallowed and must be reimbursed from non-federal sources.

All homes weatherized with DOE funds after September 30, 1994 are ineligible to receive additional weatherization assistance. The State will adopt a later date should legislation pass at any time during the program year. Regulations permit reweatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed repairs to weatherization materials are not covered by insurance. Therefore, the State will allow the reweatherization of only qualified units during the 2010 Plan Year.

To qualify a unit for reweatherization, the occupant must reapply and be determined eligible for assistance. A new energy audit must be completed to determine which measures and materials should be installed on the basis of current standards.

Definition of children: Below age 18

Recommend tribal organization(s) be treated as local applicant? No

If YES, Recommendation: If NO, statement that assistance to low-income tribe members and other low-income persons is equal:

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DOE funded weatherization activities will also be made available to all eligible Native American households residing on reservations within the State. The CAAs will be allowed to weatherize any eligible residence located within the boundaries of the Spirit Lake Sioux, Standing Rock, Turtle Mountain and Fort Berthold (Three Affiliated Tribes) Reservations. Grant agreements with the subgrantees specify the minimum amount of WAP funds to be available for expenditure for the weatherization of Native American households within the boundaries of each tribal jurisdiction served by North Dakota's WAP program. The State of North Dakota has chosen to double the allocation to be used for tribal housing based upon the percentage of the State's low income households residing within the reservation boundaries (3.37% according to the 2000 Census data) and the condition of the current housing stock.

Minimum WAP funding levels allocated for tribal weatherization services on each reservation and to be distributed to North Dakota's subgrantee agencies are as follows:

Percent of ND WAP: 7.4%

Distribution of Tribal Weatherization Funds to Subgrantees:

Subgrantee Tribal Jurisdiction Percent of Tribal WAP/PVE

Community Action (Region II) Ft. Berthold 27.94

Dakota Prairie CAA (Region III) Spirit Lake 18.55

Turtle Mountain 36.36

Community Action (Region VII) Standing Rock 17.15

Although tribal households represent a small percentage of the state's low income population, a large proportion of tribal residents qualify for weatherization and many of the housing units within these tribal jurisdictions are in poor condition. Should the need arise, the State of North Dakota will permit subgrantees to exceed the minimum allocation levels for each tribal jurisdiction, as specified above, in order to have a greater impact on energy use and housing conditions on the reservations.

However, if after soliciting weatherization applications, the subgrantee finds that there are insufficient applications to fully utilize the tribal allocation, the subgrantee may utilize the funds to serve clients off the reservation.

During the program year, the majority of labor for installing weatherization materials will be supplied by CAA weatherization crews. Contract labor will be used the event of furnace retrofit or replacement and to a limited extent for other weatherization labor.

2.01.5 Nondiscrimination

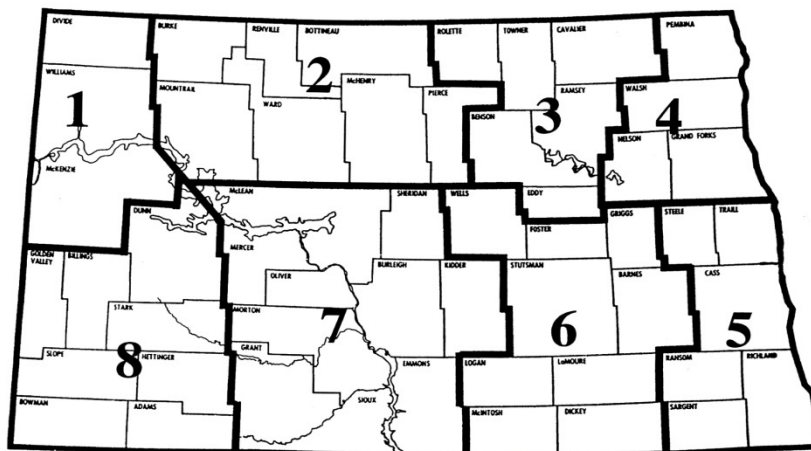
No person shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or part with DOE funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified disabled individual as provided in section 504 of the Rehabilitation Act of 1973 also shall apply to this weatherization program.

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2.01.6 Subgrantee Service Areas

North Dakota's fifty-three counties are grouped into eight regions for the purposes of the Weatherization Assistance Program. The regions correspond with the jurisdictions of the seven (7) community action agencies (CAAs), which conduct weatherization activities on the local level. Weatherization services for Regions I and VIII are provided by the Regional VIII CAA.

Figure 2
Counties Served By Subgrantees



The following is a list of the Community Action Agency regions and the counties they serve:

Region II - Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, Ward

Region III - Benson, Cavalier, Eddy, Ramsey, Rolette, Towner

Region IV - Grand Forks, Nelson, Pembina, Walsh

Region V - Cass, Ransom, Richland, Sargent, Steele, Trail

Region VI - Barnes, Dickey, Foster, Griggs, LaMoure, Logan, McIntosh, Stutsman

Region VII - Burleigh, Emmons, Grant, Kidder, McLean, Mercer, Morton, Oliver, Sheridan, Sioux

Region I & VIII - Adams, Billings, Bowman, Divide, Dunn, Golden Valley, Hettinger, McKenzie, Slope, Stark, Williams

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1977. Each of the seven agencies has demonstrated its ability to complete the work assigned in a timely and effective manner. The crew members, estimators, and coordinators currently in place possess considerable experience and training in the theory and methods of effective home weatherization.

2.01.4 Priorities

All applications for weatherization will be prioritized on the basis of three criteria which demonstrate a need for weatherization assistance; the estimated cost of fuel used during the heating season as calculated by LIHEAP, household income and elderly or handicapped status or the presence of children within the household. Therefore, those low income households having a high estimated cost of fuel and containing one or more of the high priority groups will be served before lower ranking households.

Households not containing one of the priority groups will be ranked solely on the estimated cost of fuel needed during the heating season and income. In the event of an emergency, an application may be advanced to the head of the work list.

Under the prioritization system, each eligible client is assigned a priority rating immediately following the receipt of the application based on the following table:

Prioritization Table

Estimated Cost of Heating Fuel Number Assigned

\$0-200 0
\$201-400 1
\$401-600 2
\$601-800 3
\$801-1,000 4
\$1001-1,200 5
\$1,201-1,400 6
\$1,401-1,600 7
\$1,601-1,800 8
\$1,801-Over 9

In addition to the prioritization by estimated cost of fuel (as state above) , the North Dakota Weatherization Assistance Program will further rank the different priority groups by percentage above the poverty level and children present in the household. Points will be assigned as follows:

Number

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Income Assigned

20% of median income and below 6

Less than 40% of but greater than 20% of median income 4

Less than 60% of but greater than 40% of median income 2

Age and/or Infirmary (Status) Assigned

None of the Below 1

One or more children five to eighteen years old 2

One or more children five years or younger 3

One or more residents either elderly or infirm 4

One or more of the residents both elderly and infirm 5

After determining the score according to the ranking criteria above, the numbers will be placed in the following order.

Cost of Fuel Income Status

Therefore, each applicant will have a three digit priority number assigned based on cost of fuel, income and status. The higher the number; the higher the program priority status of the applicant.

Subgrantees are given the discretion to serve a lower priority job when it is located in the same area as a higher priority job in order to capitalized on operational efficiencies. Subgrantees will also be allowed to move lower ranked applicants up on the priority list if they have been on the waiting list for more than six months.

Single family units and rental units in which the client pays their own cost of heat, regardless of the tenure of the client, will receive first priority for weatherization, followed by single family rental units in which the client does not pays their own fuel bill. Subsidized dwelling units, whether single-family or multi-family, are eligible for weatherization assistance however are assigned a lower priority because the subsidy contains a component for maintenance/repair and improvements.

Each subgrantee will be allowed to expend up to 10% of its materials and program support authorization for the weatherization of subsidized housing units. A subsidized dwelling unit, under the Weatherization Assistance Program, refers to a housing unit where the rent paid by the tenant is based upon the income of the tenant, rather than on the local rental market or a pro rata share of debt service plus operating and maintenance costs. By this definition, a subsidized dwelling unit may be publicly or privately-owned.

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Elderly and Handicapped Households Served

According to the 2000 Census of population, more than 9,700 of 58,000 elderly-headed households earned incomes below the poverty level. In addition, the 2002 LIHEAP final report, 4,856 LIHEAP households were headed by a person over 60 years of age, representing approximately 40% of all households receiving fuel assistance.

Approximately 48,000 North Dakotans, ages 18-64, reported some form of disability in 2000. Of this number, about 8,000 individuals had incomes below the poverty level. Slightly more than 2,363 households headed by a handicapped person received LIHEAP fuel assistance benefits in the 2002 program year.

Elderly and handicapped households will continue to receive priority for assistance. During FY05, it is projected that 20% of the households served will be headed by a person, 60 years or older; 10% of all weatherized homes will have a head of household with a disability and 13% will be Native American-headed households.

2.02 Climatic Conditions

North Dakota's climate is typical of its continental location in the northern Great Plains. Situated approximately at the center of North America and isolated from the moderating effects of the oceans, the state is subjected to extreme seasonal temperature variations. Mid-summer highs often exceed 100 degrees Fahrenheit; while mid-winter temperatures can fall below -30 degrees Fahrenheit.

North Dakota also endures some of the longest, coldest winters of the lower forty-eight states, according to the U.S. Weather Service's thirty year average for annual heating degree days. The statewide average heating season for the past thirty years exceeds 9175 heating degree days. The intensity of the heating season varies only slightly on a regional basis. Northern and eastern regions of the state are colder on average than the southern and western regions. For example, the average heating season for Devils Lake, in Region III is 9885 heating degree days, more than 1900 heating degree days colder than the heating season at Dickinson, which is located in Region VIII. The 30 year average for several counties along the Canadian border exceeds 10,000 heating degree days. Figure I, below, illustrates the interregional differences in the severity of the heating season.

The 30-Year Average Heating Degree Days for North Dakota and Selected Cities Region City
Heating Degree Days I Williston 9241 II Minot 9415 III Devils Lake 9885 IV Grand Forks

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9881 V Fargo 9341 VI Jamestown 9380 VII Bismarck 8321 VIII Dickinson 7981

2.03 Weatherization Analysis of Effectiveness

2.03.01 Typical Weatherization Services Provided

Each household is visited by an energy auditor who after conducting an energy audit, determines which conservation measures will be most effective for this specific unit. There are 9 general categories of energy conservation measures from which the auditor may choose based upon their ability to save energy. The actual conservation measures installed on a specific unit is dependent upon the potential energy savings, the cost of material, the life of the measure, and the labor needed to install the measure. All measures must have a target savings to investment ratio of 1.0 or greater (\$1.00 return for each \$1.00 invested). Energy auditors are given the flexibility on a case by case basis to disallow the installation of a conservation measure having a SIR between the target of 1.0 and SIR of 1.50. Completion of all measures with a SIR of 1.5 or greater is required

They are:

General Heat Waste: Measures that reduce air infiltration and heat loss in the home. This typically includes caulking and weatherstripping which in recent years has been guided by the use of a blower door.

Attic Insulation: Insulation is installed to bring the attic up to an R-50.

Wall Insulation: Wall insulation is installed to R-19.

Floor Insulation: Floor insulation is installed up to R-19 in floors over unheated basements or crawlspace and in mobile home bellies

Perimeter Insulation: The installation of insulation on the sides of the slab or the footings as well as exterior basement walls down to the frost line.

Storm Windows: The installation of a series of window treatments that prevent or mitigate heat loss. These include the installation of window films and storm windows.

Doors: The installation of a series of door treatments to reduce heat loss including repair and replacement of regular and/or storm exterior doors.

Furnace Efficiency Measures: Includes testing of heating systems for efficiency and safety purposes. Repair and/or replacement is allowed based on energy efficiency and savings to investment.

Building Repair: This measure includes a variety of repairs to the house structure which are necessary to protect the integrity of eligible weatherization measure

Health and Safety Measures: In addition to energy conservation measures, each household has

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health and safety issues addressed which are either necessary to protect the integrity of Weatherization measures or may have been created as a result of weatherization activities.

Electric Baseload: this includes electric base load measures such as "compact fluorescent lights" and refrigerators.

2.03.02 Energy Audit Procedures

North Dakota's weatherization program emphasizes cost effectiveness in selecting measures to reduce general heat waste, conductive heat loss and mechanical systems inefficiencies. Each weatherization measure to be installed must have a savings to investment ratio (SIR) greater than 1.8 in order to be included as a priority. Energy auditors are given the flexibility on a case by case basis to allow the installation of a conservation measure having a SIR below the target but above a minimum SIR of 1.50. Repair materials will only be allowed, if when included in the calculation of the SIR for all weatherization measures installed (to include repairs materials), is greater than one for the unit as a whole.

General heat waste and air infiltration are addressed in every weatherized dwelling. Blower door tests will be conducted on each weatherized home, unless weather conditions, such as extreme cold or high wind preclude safe and accurate testing. The blower door tests will be conducted by weatherization crews using the "North Dakota's Standard Blower Door Procedures." (See Appendix H) Air sealing measures will be applied until the air flow at 50 pascals has been reduced to 1200 cfm or the ASHRAE minimum or to a point where the reduction of CFM is no longer cost effective. No air sealing measures will be applied if initial readings are below 1200 cfm at 50 pascals or ASHRAE minimum.

The weatherization crews employ a top down approach to sealing air leaks. The crews first work within the attic, sealing chase ways and bypasses around chimneys, soil pipe, soffits and other openings into the attic space. Attention is then focused on interior caulking of infiltration through doors, windows, attic hatches, and around the rim joist. Occasionally, inside storm windows, composed of rigid acrylic or plastic film, are applied as an economical means of combating infiltration through unusually leaky windows.

Conductive and mechanical measures are prioritized using the WXEOR computerized audit package. The WXEOR is an integrated estimation program which prioritizes weatherization materials to be installed on either site built or mobile homes based on the calculated cost effectiveness (discounted $SIR > 1.25$) of those materials when installed on that specific unit. The program is completely self contained and requires no additional manual computations. The State of North Dakota submitted the WXEOR Program to the DOE Support Office and it was approved

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as a waiver audit for use in the Weatherization Assistance Program in 2003.

The equation utilized to calculate the savings to investment ratio for a measure is:

$$(1 \times ((1 - \text{discount rate})^{\# \text{years}})) \times ((\text{HDD} \times 16 \times (\text{Unit Price} \times \text{Esc. Rate})) \div (\text{BTUs} \times \text{AFUE}) \times (\text{Area} \times \text{Delta U}) \times \text{Buffer}$$

Where:

Discount Rate= 4.7% per year

years = Number of years for measure to payback

2DD= Heating degree days for specific Region of the State

16= Correction factor to allow for internal heat gain from occupants, solar, etc.

Unit Price= Cost per unit of heating fuel

Esc. Rate= Fuel cost escalation rate as provided in National Audit (NEAT).

BTUs= 100% efficient BTU content of fuel

AFUE= Annual fuel utilization efficiency

Area= Net area affected by measure in square feet

Delta U= $(1/\text{Pre R-Value}) - (1/\text{Post R-Value})$

Buffer= Buffer correction factor to account for differences in exposure as provided by ASHRAE

The equation yields a dollar amount saved during the first year after each measure is in-stalled. The first year savings is then discounted at a rate of 4.7% per year over the life of the measure to yield the total savings to be realized for that measure. The amount saved is further adjusted through the application of a fuel escalation cost factor applied over the life of the measure to account future price increases in the cost of the heating fuel use by that particular unit.

Once the adjusted savings is calculated, the savings to investment ratio is then generated by dividing the adjusted savings by the cost of materials and labor to install the measure. (WXEOR figures labor on a square foot installed cost and adds this to the material cost for purposes of this calculation). Each subgrantee is allowed the flexibility to input their own agency costs for materials and labor and heating degree days so that the calculations are customized to their specific agency.

After the savings to investment ratio is calculated for each measure they are then ranked in order by WXEOR (highest SIR to lowest SIR). The Weatherization crews will install measures based on their ranking (prioritization) and may only deviate from the ranking with prior approval of the State Weatherization Program Manager.

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The WXEOR program also accounts for the interaction of mechanical and conductive weatherization measures and is able to produce a SIR on a heating system replacement or retrofit. The SIR for mechanical measures can be calculated with or without conductive heat loss measures installed and estimate future heating costs when historical fuel usage data is supplied. A sample of the audit/work order is supplied in Appendix I.

In addition to the calculation of the SIR, the WXEOR program also generates the number of BTUs saved per heating degree day for use in future evaluations of the Weatherization Program.

The replacement of furnaces in conventional homes will be permitted based upon a determination that: 1) the existing furnace will not last at least five years; 2) that the existing system cannot be retrofitted for \$500 or less; and 3) the SIR for the replacement system and associated costs is one or greater. The documentation to support furnace replacement must include fuel consumption records for the prior year, existing furnace efficiency test results (if the system is operable) and an analysis of the potential savings and payback associated with the replacement.

North Dakota law requires landlords to maintain operable heating equipment in rental housing. However, the State has not set standards for the operating efficiency of furnaces in rental housing. DOE and LIHEAP weatherization funds cannot be used to repair or replace inoperable furnaces in rental housing. However, weatherization funds may be used to upgrade the operating efficiency of heating systems in rental housing, if merited.

2.03.03 Computerized Energy Audit Approval

*DOE F 1325.8
(8-89)
EFG (07-90)*

United States Government Department of Energy

memorandum

DATE: August 25, 2003

REPLY TO
ATTN OF: EE-2K

U.S. Department of Energy
STATE PLAN/MASTER FILE WORKSHEET (continued)
Identification Number: EE0000197, State: ND, Program Year: 2010

SUBJECT:Approval of North Dakota's Energy Audit Procedures Including the Use of the WXEOR Energy Audit Software

TO:Bill Becker, Director, Denver Regional Office
Wilma Cain, Deputy Director, Denver Regional Office

CC:Rob DeSoto, Weatherization Program Manager, Denver Regional Office

The approval request and accompanying documentation were submitted to the U.S. Department of Energy by the State of North Dakota on March 17, 2003. The approval request included:

- North Dakota Weatherization Field Standards,
- North Dakota Heating System Clean and Tune Form,
- North Dakota Diagnostic Field Form,
- North Dakota Estimator Field Form,
- North Dakota Worst-Case Draft Test Form,
- North Dakota Weatherization Tool List, and
- CD containing the WXEOR Weatherization Estimator Software, Version 1.0.103.

The request has been reviewed in accordance with Weatherization Program Notice 01-4. While North Dakota's program standards and procedures are in compliance with §440.21 of the final rule, the WXEOR energy audit software was found to have three areas of initial concern:

- WXEOR does not estimate the energy savings of air sealing measures,
- WXEOR does not estimate the energy savings of measures that improve the efficiency of heating systems, and
- WXEOR was also found to overestimate the energy savings potential of common weatherization insulation and air sealing measures.

WXEOR asks for pre- and post-weatherization blower door readings, shielding, LBL climate zone, and number of stories. Based on this input, WXEOR selects the appropriate LBL correction factor (n) for infiltration reduction calculations. A field titled, "Cost-Effective Sealing Limit," is displayed near the blower door readings. Further, some inputs in the Measures screens appear to allow the user to create measures that estimate the energy savings that result from reducing infiltration. Despite these factors, WXEOR does not currently estimate the energy savings of air sealing measures. However, North Dakota's program standards include separate guidelines that ensure the cost effectiveness of air sealing efforts. These guidelines, which require the use of the ZipTest Pro? software package for the TI-86 calculator, satisfy DOE energy audit requirements.

North Dakota uses LIHEAP funds to replace existing furnaces that are inoperable or are a health and safety hazard. When a furnace is replaced, estimators account for its interaction with other weatherization measures by entering into WXEOR the efficiency of the new furnace, which is used in the energy savings calculations for insulation measures. Though originally thought to be an inherent problem associated with using 65°F-based heating degree days, low pre-weatherization R-values used for attics, walls, and floors appear to be the primary reason that WXEOR overestimates energy savings for insulation measures. Uninsulated attics, walls, and floors have a certain amount of

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thermal resistance due to the siding, sheathing, joists, studs, and drywall with which they are constructed. Energy audit software such as the National Energy Audit Tool (NEAT) and REM/Design account for the thermal resistance of the construction materials that make up typical attics, walls, and floors. Any existing insulation specified by the user adds R-value to this initial, uninsulated thermal resistance. WXEOR, on the other hand, estimates energy savings based directly on the "Existing R" specified in the Estimates/Tasks screens. The table below shows the default R-values that WXEOR uses for uninsulated attics, walls, and floors and compares them to the R-values estimated from various engineering data sources for typical construction.

1000 R-Values for Uninsulated Building Components

Building Component	WXEOR Default R-Value	ASHRAE/DOE-2 R-Value
Uninsulated attic	1.8	1.8
Uninsulated wall	23.8	23.8
Uninsulated floor	33.93	33.93

WXEOR is scheduled to be updated within the next few months to add various improvements in response to user requests. At that time, WXEOR defaults for uninsulated building components should be increased to more closely match the ASHRAE/DOE-2 values. North Dakota should also direct their estimators to add these uninsulated R-values to that of any existing insulation. For example, an attic with six inches of properly installed fiberglass batt insulation should be entered into WXEOR as having an "Existing R" of 20.8 (R-1.8 for the drywall, ceiling joists, and film coefficients of the inside and attic-side surfaces, plus R-19 for the insulation). Estimators would still use their experience to judge whether the effective R-value of the existing insulation is less than the rated R-value due to voids or misalignment with the air barrier. Since the ASHRAE/DOE-2 R-values in the table are for typical wood frame construction, North Dakota may need to use the ASHRAE Handbook of Fundamentals or other sources to develop uninsulated R-values for other types of construction (e.g., above-grade masonry walls).

Based on the review of the submitted material, the approval of North Dakota's energy audit procedures and the WXEOR energy audit software is restricted as follows:

- The approval is contingent upon North Dakota incorporating into WXEOR the changes described above regarding pre-weatherization R-values of attics, walls, and floors. North Dakota shall reflect these changes in their guidance to local agencies on the proper use of WXEOR for selecting cost-effective weatherization measures.
- The approval covers only single-family buildings containing one to four dwelling units and mobile homes. It does not cover units in multifamily buildings (five dwelling units or more);
- The approval does not constitute approval of measures not listed in Appendix A, or not otherwise approved by the Department, for expenditure of Weatherization funds;
- The approval does not constitute approval of a state's health and safety plan or the materials listed therein for purposes of allowable expenditures;

Please provide this information to the State of North Dakota.

John Millhone, Director
Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

Unit Types	Audit Procedures and Dates Most Recently Approved by DOE
Single-family	Wxeor

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Multi-family Wxeor

Mobile Home Wxeor

2.03.4 Final Inspection

2.03.4 Final Inspection.

Weatherized units may be reported to the Division of Community Services (DCS) as complete only after the Community Action Agency (CAA) has performed the final inspection process. This final inspection process must certify that all weatherization measures prescribed by the audit were installed, audit input was correct, all mechanical and diagnostic tests as prescribed by the State Program Policy and Procedures Manual and ND Field Manual were performed and that all work has been completed in a workmanlike manner. If the work is not satisfactory, a return to the work site and corrective measures are required before the unit can be considered complete. The file should have documentation of the problems and corrective measures taken.

This final inspection must meet the following requirements:

1. Qualifying final inspection process and personnel:

a. "Crew inspection". 100% of the dwelling units must be inspected by the crew foreman or another on-site authorized sub-grantee representative before the crew leaves the home for the final time. This inspection is considered the "crew inspections". The "DOE APPROVED AUDIT" job cost sheet form must be signed and dated by both the client and the inspector.

b. "Final onsite inspection" At least one-third of the dwelling units completed under any one grant must be inspected in the field by a qualified sub-grantee staff person other than a person who performed the on-site work or the "crew inspection" on the dwelling unit. This qualified inspector will usually be the estimator/inspector or the weatherization coordinator for the sub-grantee. This will be called the "final onsite inspection". It is suggested that the coordinator should inspect some homes in the field on a regular basis.

- i. The required dwelling units inspected must be a representative sample of each county served by the sub-grantee.

c. "In-house review/inspection" All homes must have a final "in-house review/inspection" by the **COORDINATOR** or a **qualified** agency representative before it may be considered as a completion. This review must certify that all weatherization measures prescribed by the "DOE APPROVED AUDIT" audit were installed, "DOE APPROVED AUDIT" input was correct, all

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mechanical and diagnostic tests as prescribed by the State Program Policy and Procedures Manual and ND Field Manual were performed and that all work has been completed in a workmanlike manner.

d. "Subcontractor Onsite Inspection" all work performed by a subcontractor must be inspected by a qualified inspector before the unit may be considered as a completion or payment for services are rendered.

2. The "crew inspection" and the "final onsite inspection" must document the materials installed and confirm that they were installed in a professional manner in accordance with the North Dakota Weatherization Field Standards. The final inspection form must be signed and dated by both the client and the person inspecting the job on behalf of the sub-grantee.

2.03.5 Assessment of Effectiveness

In 1993, the State of North Dakota completed an evaluation of its weatherization efforts, focusing on energy savings and program delivery during the years 1989-1991. North Dakota's evaluation analyzed energy consumption and energy savings in terms of housing type, household type and measures applied. The analysis provided insights into the effectiveness of the program in targeting clients and selecting weatherization measures.

North Dakota's weatherization program is subjected to regular monitoring by the State and its subgrantees. Subgrantees are required to inspect 100% of the work completed and maintain control over expenditures in accordance with federal financial management guidelines and generally accepted accounting procedures. Subgrantees also submit monthly reports providing detailed information on production and expenditures. The subgrantee reports are consolidated into a monthly program summary which includes:

1.A production summary that breaks out the number of dwelling units weatherized, and the number of persons served among major ethnic groups, elderly and the handicapped; and

2.A breakdown of expenditures for administration, materials, program support, labor, financial audit and general liability insurance.

The monthly summary tables permit direct comparison of planned versus actual performance for each subgrantee.

Monitoring visits provide a second level of weatherization program analysis. Each subgrantee is monitored at least once annually by DOC staff or a contract monitor. The monitoring effort focuses on accountability and technical proficiency. Subgrantee records, client files, and invoices are checked for consistency and compliance. At least five percent (5%) of the housing units

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completed under the DOE Weatherization Assistance Program are physically inspected by the State's Residential Energy Technical Specialist. Job orders and invoices are cross-checked with the measures that have been applied to the client's home. The inspector evaluates the workman-ship and techniques employed by weatherization crews; focusing on compliance with weatherization priorities and the quality of work.

2.04 Health and Safety

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The State of North Dakota is Budgeting approximately 13% of 2010 regular allocation to H&S. We anticipate that we will be installing furnaces under the current DOE grant rather than the LIHEAP Furnace grant. That Liheap grant will be used for re-weatherization of homes that need weatherization of applications and have received but are ineligible for DOE as they have been previously weatherized with DOE funds after Sept. 30th, 1994. In the past we have not used DOE for furnace activity as Liheap provided adequate funds.

We anticipate that we will be aggressively addressing infiltration and as such will be using mechanical ventilation including Heat Recovery Ventilators (HRV's), fans, etc. at a much higher rate than before.

The Lead safe weatherization standards will also be requiring additional crew labor and inspection costs.

The portion of H&S allocation not used for appropriate H&S measures will be returned to Program Cost and spent as such.

As part of the Weatherization Assistance program, the State of North Dakota will adopt the following health and safety standards:

NORTH DAKOTA WEATHERIZATION ASSISTANCE PROGRAM HEALTH AND SAFETY STANDARDS

In addition to the weatherization of low income housing, funds provided under 40.18(c)(15) may be used to remedy health and safety hazards, which are necessary before, or because of, the installation of weatherization materials. The work performed by local agencies involves interaction with all aspects of the operation of homes by installers, auditors and inspectors. The health and safety of clients, local agency staff and subcontractors is a primary concern of the Division of Community Services (DOC). It is of great importance, therefore, that agency staff maintain awareness of the potential hazards associated with the weatherization process. These standards provide only general guidelines for health and safety concerns. Detailed specifications regarding the health and safety of workers in the construction industry can be found in Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910) which is available from the U.S. Department of Labor. These Standards are applicable to all workers providing services using funding under the North Dakota WAP program. Chapter XVII, subpart C, item 1926.20 of the OSHA standards states that: "no contractor or subcontractor for any part of the contract work shall require any laborer or mechanic employed in the performance of the contract to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health or safety." In addition when there is a conflict between OSHA requirements, or the State Mechanical Code or City Code and these health and safety regulations, the other codes and/or requirements shall take precedence.

1. Definitions

a Health and Safety Measures: Those measures necessary to eliminate hazards within a structure, that are either caused by the

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process or which by their remedy, allow for the installation of weatherization materials while ensuring that the structure is left in a safe condition.

b. Weatherization Measures: Building shell and equipment measures determined to be cost-effective by the North Dakota Weatherization Field Standards.

c. Weatherization Materials: Those materials listed in Appendix A of the DOE WAP for Low-Income Persons Final Rule, 10 CFR Part 440. Materials for incidental repairs do not have to be listed in Appendix A, but should be at least equal to or better than industry standard practices.

d. Incidental Repairs: Repairs necessary for the effective performance or preservation of weatherization materials.

e. Lead Safe Weatherization (LSW): LSW is a set of protocols to be used when disturbing surfaces that may have lead-based paint that will reduce and control the amount of lead dust and paint chips that are generated.

2.Expenditure Limits and Reporting - Health and Safety Measures:

- a. Costs may not exceed 15 percent of the total program budget for DOE. These costs must be recorded and tracked separately in the accounts and on the house audit/assessment form and reported as a separate line item on the Invoice Voucher.

3. Accident prevention responsibilities:

- a. It shall be the responsibility of the employer to initiate and maintain such programs as may be necessary to comply with this part;
- b. The employer shall provide training in the area of health and safety which will allow weatherization personnel to identify existing and potential threats to either the client's or crew's health and/or safety. Upon the identification of a threat to the client's health and/or safety the client will be informed in writing as to the available options for dealing with this threat;
- c. Such programs shall provide for frequent and regular inspections of the job sites, materials, and equipment to be made by competent persons designated by the employers;
- d. Such machine, tool, material, or equipment shall either be identified as unsafe by tagging or locking the controls to render them inoperable or shall be physically removed from its place of operation;
- e. The employer shall permit only those employees qualified by training or experience to operate equipment and machinery. Each home weatherized by the WAP must be individually assessed to determine the existence of potential hazards to workers or clients:

Workers: The Division of Community Services will allow technical waivers for nonperformance of audits, installations and/or inspections, or any portion of these functions, if such action will expose workers to conditions regarded as unsafe or unhealthy as determined by OSHA Construction Industry Standards. Each worker is responsible for working in a safe manner so as to not endanger either himself or others. Individuals who continue to demonstrate that they are unable to work in a safe, workmanlike manner will not be retained by the program.

Clients: Local agencies and their representatives are required to take all reasonable precautions against performing work on homes that will subject clients to health and safety risks. At the time of initial client contact, the weatherization worker will make an cursory evaluation of the individual health of the home's occupants. In cases where a person's health is fragile and/or the crew work activities would constitute a health or safety hazard, the occupants will be required to leave during these work activities.

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Weatherization services must be provided in a manner that minimizes risk to workers and clients. Although the Division of Community Services is not capable of providing all the solutions, awareness of potential hazards is essential to providing quality services. The following is an overview of potential health/safety risks associated with home weatherization and suggested approaches to minimize exposure:

2.04.01 Combustion Systems

Health/Safety Concerns:

- Combustion of surrounding materials resulting from unsafe operation of the heating system.
- Release of unhealthy combustion products into home environment.
- Health hazards resulting from dysfunctional heating system (no heat).
- Gas leaks - risk of contamination of house air or explosion (especially with propane).
- Scalding due to water temperature set too high.

In order to minimize the threat to the client's health and safety, the following tests should be done before or at the time of weatherization:

1. Limit switch target range - 200° not exceed 250°.
2. Check all combustion units for carbon monoxide and carbon at the vent, including combustion water heaters. Carbon monoxide should be less than 100 parts per million.

Caution: Any house found with a combustion appliance producing CO at or above 100 PPM (excluding wood or coal stoves), any house with a chimney with insufficient draft resulting in a high potential for backdrafting or spillage, or a furnace with a cracked heat exchanger **SHOULD NOT BE WEATHERIZED** until the problems are resolved.

3. Test draft on all furnaces and water heaters. There should be appropriate draft, with no spillage on all gas appliances. Test for Carbon Monoxide (CO) on all heating appliances.

- a. It should be noted that draft readings will vary due to seasonal conditions. In warm weather, the draft will be lower because there will be less temperature difference between inside and outside. A lower draft reading may be acceptable during warm weather if the vent is visually inspected for blockage and deterioration and the proper clearances exist at the exit of the vent.

Caution: The 100 PPM level is measured in the exhaust stream of the appliance. This is not a threshold for ambient measurements. There is no guarantee that low levels will not be a problem under certain conditions.

4. The venting of unvented gas water heaters or space heaters.
5. The testing for natural gas or propane leaks.
6. Inspect heat exchanger for cracks.
7. Repairs or cleaning of heating system venting devices.
8. Installation of ventilation equipment to assure adequate ventilation and moisture control.

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9. The testing and evaluation of all of the above measures include a draft test on heating systems.
10. Client will be advised as to proper clearances between combustible materials and wood/coal stoves, kerosene heaters, furnaces, boilers, water heaters, and flues.
11. Turn down water heater temperature when possible.

2.04.02 Blower Door Testing

A. Blower door guided air-sealing is required on every unit weatherized in North Dakota for the 1993 program year. Exceptions will be reviewed on a case-by-case basis with permission being granted by weatherization coordinator prior to work being started.

B. Required documentation for blower door testing.

1. For each unit tested, the minimum requirement is that pre and post test blower door results be placed in the client file. It is expected, however, that the blower door be used as a tool in order to maximize energy conservation and assure the client's health and safety.

2. Backdraft testing must be done after all other work has been completed. Backdraft testing and blower door work are not mutually exclusive. This is a safety issue with no exceptions.

C. Blower door safety concerns

1. No home shall be tightened below 1200 CFM50 or the ASHRAE minimum which ever is greater. Consideration must also be given to the number and types of pets, whether the homeowners smoke, whether bulk moisture is a problem, the size of the house, unvented space heaters, etc. Any house below this limit must be thoroughly checked for sufficient and working ventilation. Homes requiring increased ventilation should be addressed.

- a. Because a house is below the 1200 CFM50 level, it does not mean work should not be done on the unit. Conductive heat loss measures which have minimal impact on air tightness, heating system work, backdraft testing, duct sealing and balancing, and ventilation assessment and corrective actions should still be done.

2. Do not conduct a depressurization test with a wood stove or fireplace burning.

- a. This will not be considered sufficient reason for not conducting a test. It is expected that the client will be informed when an appointment is scheduled and asked if they would be willing to shut down their stove/fireplace for a short period of time. Where the client is unwilling or unable to cooperate, crews should use their own discretion in determining whether or not a blower door test can be conducted.

3. Do not conduct a depressurization test when any combustion appliance is operating.

2.04.03 Backdraft Testing

A. Backdraft testing must be done on all units weatherized with the use of the blower door. It should be done on every unit whether the blower door was used or not with the following exceptions.

1. No back draft testing is needed if the following conditions exist:

- a. The house is all electric with no combustion appliances.

- b. A house without a furnace and no exhausting equipment. Exhausting equipment includes vented dryers, vented bath and kitchen fans, vented central vacuums, fireplace or wood stove, etc.

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- B. Backdraft testing must be done after all other work has been completed.
1. The purpose of backdraft testing is to insure the proper venting of all combustion devices in home. No test is fool proof. The testing should greatly reduce incidence of backdrafting.
 2. The configuration of the house (interior doors open or closed) and which exhaust devices should be activated will have to be determined on a site by site basis. In every case, the test should be done with the house in its worst case situation.
 - a. Consideration must be given to the following:
 - The type and location of the heating system.
 - The location and strength of all exhausting equipment (bath fans, dryers, kitchen exhaust devices, etc.).
 - The location of wood stoves, fireplaces and water heaters.
 - The volume of the area where the combustion devices are located.
 3. The acceptable method for checking for backdrafting will be the direct measurement of the pressure difference between outside and inside at the combustion device. A pressure reading of -3Pa or above may require corrective action.

2.04.04 Crew and Client Safety Concerns

The following section will establish areas of concern that affects the health and safety of the workers and the clients. In most cases, the best approach is to minimize the exposure and the risk to both workers and the clients. The inability to minimize exposure may result in some or all of the work being stopped or not done on any particular dwelling.

- A. The Division of Community Services expects the crews, contractors and auditors to be able to work under conditions that do not jeopardize their own health and safety. It is also expected that these field personnel will use caution and care while working on the client's home. The office, warehouse and other workspace owned or rented by each subgrantee should be a safe and healthy environment. For detailed information on worker health and safety, reference Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910). The following are general guidelines for accident prevention and should be followed by agencies, crews, auditors and general contractors involved in weatherization work.
- 1.It shall be the responsibility of the employer to initiate and maintain such programs as may be necessary to comply with this part.
 - 2.Such programs shall provide for frequent and regular inspections of the job sites, materials, and equipment to be made by competent persons designated by the employers.
 - 3.The use of any machinery, tool, material, or equipment which is not in compliance with any applicable requirement of this part is prohibited. Such machine, tool, material, or equipment shall either be identified as unsafe by tagging or locking the controls to render it inoperable or shall be physically removed from its place of operation.
 - 4.The employer shall permit only those employees qualified by training or experience to operate equipment and machinery.
 - 5.All personnel should be trained on the proper use of power tools, machinery, tools and equipment, materials and test equipment. They must all take precautions to prevent the client, especially small children, from being hurt or injured by the equipment and tools.
 - 6.Workers should wear respirators, protective eye-wear, protective head gear and protective clothing when necessary.

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7. Workers should use care when working in potentially dangerous areas.
8. Workers must use care when working with, on, or around ladders and scaffolding.
9. Workers are responsible for clean-up of the work site after all work is complete.

Dust

The inhalation of any form of dust can be harmful to people. The affects of most forms of dust will be quickly reversed when the source of these dusts is removed. Older persons and young children will be more susceptible to the affects of dust, especially if they have existing respiratory problems. Other forms of dust are suspected of causing long term medical problems. It is important that field personnel be able to identify the potential risks. The client's exposure to dust particles should be kept to a minimum. This is especially true if blown-in insulation is to be installed. Adequate measures must be taken to prevent the dust generated from entering the living space such as pressurization of the house with a blower door. Isolating the area to be insulated by keeping doors or access holes closed, proper air sealing before work starts, and adjusting equipment to minimize dust generation are a few examples of preventive measures.

The workers, auditors, and crew persons should be very concerned about dust exposure. Because of the constant exposure to different types of dust, all field personnel should wear appropriate filter masks while working in the field. The masks should be capable of filtering the types of dust and fibers found in that house.

Asbestos

Asbestos is a fibrous mineral used as an insulation material. It is suspected that exposure to asbestos fibers can cause cancer. It is important that any existing asbestos not be disturbed during the weatherization work. In most cases, the asbestos insulation will be in good shape and will not readily become airborne. It will be safe to work in the immediate area. If the insulation wrapper is dam-aged or it is obvious that the fibers have become airborne, no work should be done in that area. The client education for that home must include information about asbestos and an assessment of the condition of the asbestos in that house.

Insulation

Some of the dust created by blowing insulation is being questioned as a possible cause of cancer. In light of this, it seems prudent to reduce exposure to this dust to both client and worker. Workers must minimize or eliminate the exposure to the client to dust generated by the insulation process. If the client has respiratory problems, they should be asked to leave the dwelling until after the work is complete. All workers must wear appropriate filter masks while blowing insulation. They must meet the minimum specifications required for the type of insulation being used. Paper, single strap masks are not acceptable.

Lead

Lead has been shown to cause serious medical problems, especially in young children. A major source of lead is from house paints used over the last fifty years. The lead is contained in the paint chips and paint dust. It is, therefore, important that weatherization crews and workers consider the impact of their work in generating paint chips and dust or disturbing already existing chips and dust. Recent studies have shown large quantities of lead dust around the perimeter, near doorways, in window sills, in carpeting and the

highest levels in the attics. Since crews and workers work in these areas, it is important that they protect both themselves and the clients from being exposed to the lead. The benefit of window and door work must be weighed against the hazard of paint chip and dust generation. Using a standard vacuum will not be adequate in protecting the client and in most cases will increase exposure. Crews working in areas of high dust potential should take proper steps to minimize exposure to themselves and the client. It is important to note that lead dust can accumulate in the workers clothes. Children of workers exposed to lead have been poisoned by lead brought home in the worker's clothes. Precautions should be taken to prevent this contamination. When working in attics, care should be taken to minimize dust generation and workers should wear appropriate respirator, eye protection and protective clothing.

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Lead Safe Weatherization Implementation:

The North Dakota Weatherization Program will conduct training to its Sub-Grantees concerning LSW. It will use the Montana State University Curriculum and MSU trainers at its State Conference. Sub grantees have in the past attended LSW, however refresher courses will be required for all Wx crews. Sub-Grantees will be encouraged to attend trainings held at the National DOE and State level conferences.

LSW trainings and agency program will include Worker protection, Client Notification Requirements, Client Health and Safety Documentation requirements and Home requiring LSW and Exceptions to the rule.

The state contract with sub-grantees will require conformance with LSW, Attachment 1 of Program notice 8-6. State monitors will inspect agencies for compliance in both "on-site" work and equipment needed to accomplish the minimum standards.

Agencies found in non-compliance of LSW minimum standards will have their funding frozen and will be required to come into compliance before funding will be reinstated.

LSW practices to be followed by Weatherization crews;

The sub-grantees will implement Lead Safe Weatherization (LSW) according to the "Lead Safe Weatherization" curriculum put forth and taught by Montana State University as prescribed by DOE. LSW will include:

- Worker protection,
- Proper disposal of material
- Tools, equipment and techniques
- Client Notification Requirements,
- Client Health
- Safety Documentation requirements
- Home requiring LSW
- Exceptions to the rule

LSW Timetable:

The timetable for completing any necessary lead-based paint training for local agencies was completed in 2002. All new employees will be trained on a yearly basis. No person may be in an on-site supervisory position unless they have had the proper LSW training prior to being put into a supervisory position.

Disposal of Lead Paint Waste, Debris, & Residue

The proper disposal of all materials containing lead-based paint will be made according to the EPA guidelines and properly disposed of in municipal land fills.

When removing lead-based paint a number of precautions are advised:

- Children and pregnant women should be out of the building until clean-up is complete.
- A properly fitting HEPA (High Efficiency Particulate) air respirator should be worn while working.
- Clean-up *must* be with a HEPA vacuum. Contents of the vacuum will be hazardous waste.
- Wear protective clothing and seal off the work area with 6-millimeter plastic
- Consider having a *professional* lead paint removal company do the job even

Lead Safe Weatherization deferral Policy.

The policy advises that in some situations, such as when there are lead paint hazards in the premises and the weatherization work under such conditions would pose a threat to the residents and the workers, the subgrantee must defer the weatherization work until the problem has been corrected such that the weatherization work can be safely performed or until the subgrantee is otherwise able to perform the work using lead safe work practices. The Weatherization Agreement between the owner and the subgrantee must contain an agreement by the owner to

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remediate any lead-based paint hazard in the premises. The subgrantee shall not commence the weatherization work until the owner has completed his/her portion of the work, or escrowed sufficient funds with the subgrantees to complete the work.

LSW will be applied to all pre-1978 housing with the following exceptions:

1. No Lead-Based Paint will be disturbed. LSW must be applied to all pre- 1978 housing unless there is existing evidence that the home has been certified as being lead-free or below the lead threshold limit (e.g., for paint containing lead below the regulated level, 1.0 mg/cm² or 0.5% by weight).

One of the following methods must be used to determine the paint to be disturbed is not lead-based paint:

- Written determination by certified lead inspector or risk assessor; **OR**
- Proper use of EPA-recognized test kit provided agencies (*documenting manufacturer and model of test kit used, description and location of components tested, and test kit results*)

Note: Beginning in 2010, tests must be performed by a Certified Renovator, per EPA final rule. Test kits are currently being evaluated but none have been approved to date - updates and approved kits will be posted at <http://www.epa.gov/lead/>;

OR

- A State-approved lead-based paint test protocol (e.g., XRF scans verifying absence of lead paint).

2. Mobile Homes. Often, interiors of mobile homes were not painted but rather, paneling was applied to the surfaces.

Therefore, pre-1978 mobile homes that were not painted by the manufacturer, occupant, landlord, or past owner of the unit before 1978, may be exempt from LSW. However, Weatherization Programs must verify the areas receiving weatherization services have never been painted or were painted for the first time after

1978. If this is not verifiable, then LSW protocols must be followed. Painted exterior surfaces on pre-1978 units should not be drilled, scraped, sanded, or receive any other work that disturbs the paint.

3. Exempt from training and work practice requirements if owner signs written statement that all apply:

- a. No pregnant women resides there; and
- b. Not a child-occupied facility ("occupied" includes being the child's primary residence or a home that is visited regularly by the same child, under age 6, on at least two different days within any week (Sunday through Saturday period), provided that each day's visit lasts at least 3 hours and the combined weekly visits last at least 6 hours, and the combined annual visits last at least 60 hours).

4. Housing for the elderly or persons with disabilities (unless any one or more children under age 6 resides or is expected to reside in such housing for the elderly or persons with disabilities).

5. Any 0-bedroom dwelling.

6. Minor Repair or Maintenance Activities: Activities that will disturb less than the following square feet of paint surfaces in 30 calendar days (counting all paint surface areas of a removed component):

- 6 square feet per room for interior activities; or
- 20 square feet for exterior activities.

But this exemption does **NOT** apply to the following:

- Window replacement.
- Demolition of painted surface areas.
- Using any of the following:
 - o Open-flame burning or torching;
 - o Machines to remove paint through high-speed operation without HEPA exhaust control; or
 - o Operating a heat gun at temperatures at or above 1100 degrees Fahrenheit.

7. Do-It-Yourself: Work performed by owners themselves in their residence.

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All CAP crews will be required to follow "LRRand P" "Lead; Renovation, Repair, and Painting Program" and all State monitor will be certified lead renovators and all work will be inspected by a certified lead renovator at the agency level.

Gases and Particulate Matter

In addition to asbestos and combustion systems, there are a number of other sources of indoor air pollutants in homes that may present long-term health risks to clients. Precise knowledge is lacking regarding the interaction of weatherization of homes and indoor air quality. Awareness of indoor air pollutants and attention on the part of weatherization personnel to the level of air-tightening measures performed on a home will aid in the prevention of making a bad situation worse. Weatherization clients will be provided literature on the following indoor air pollutants.

1. Radon - an odorless, colorless gas which occurs naturally in the earth's crust. Long-term exposure to elevated levels may cause lung cancer. Present research indicates that weatherization usually has little effect on radon levels.
2. Formaldehyde - strong smelling, colorless gas. A component of various building materials. Health hazards include lung ailments, impaired brain and vision function, fatal in very high concentrations. Extensive air leakage work is not recommended on homes with known significant levels of formaldehyde.
3. Tobacco smoke - known to cause lung cancer. Excessive air-tightening can increase levels of carcinogenic by-products in homes. Homes with high levels of tobacco smoke or other indoor pollutants should not be over tightened.
4. The materials and products used in the weatherization process may affect the health of both crew and client if not properly used and installed. Some people may be less tolerant to the VOCs (volatile organic chemicals) and solvents used in some caulks and sealants as an example. The out gassing of these chemicals can cause respiratory distress during the cure period of the product. It is important that the installer know the make up and proper installation requirements of all products being used.
 - a. Each agency should have a file of the MSDS (materials safety data sheets) for all materials used in their programs. The MSDS sheets are available from distributors or the manufacturer and they exist for every product sold. The MSDS sheets will contain all the information about the product's specifications, ingredients and safety precautions. The information will allow better decision making on material choices, especially in cases where the client's health is already a concern.

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5. Fiberglass - fibrous glass insulation material. Known to be an irritant to lungs, eyes, and skin. Preliminary research indicates no long-term negative health effects resulting from exposure to high levels of fiberglass but further research is ongoing. Exposed fiberglass shall not be left in occupied areas of homes. Workers are strongly advised to wear properly rated respirators and protect

2.05 Rental Procedures

2.05 North Dakota Weatherization Program Rental Procedures

It is a goal of the North Dakota Weatherization Program to provide assistance in a manner that treats persons eligible for weatherization services, living in rental housing equally with clients who are homeowners. However, because the unit to be weatherized is owned by a person who may not be eligible to receive program benefits, subgrantees must comply with the following before the weatherization process is completed.

1. The subgrantee has obtained the written permission of the owner or his agent;
2. Not less than 66 percent (50 percent for duplexes and four-unit buildings, and certain eligible types of large multi-family buildings) of the dwelling units in the building:
 - a. Are eligible dwelling units, or
 - b. Will become eligible dwelling units within 180 days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building; and
3. The subgrantee has established procedures for dwellings which consist of a rental unit or rental units to ensure that:
 - a. The benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;
 - b. For a reasonable period of time after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed;
 - c. Procedures must be established by the Subgrantee by which tenants may file complaints, and owners, in response to such complaints, shall demonstrate that the rent increase concerned is related to matters other than the weatherization work performed; and
 - d. No undue or excessive enhancement shall occur to the value of the dwelling units. One specific application of this policy is to limit expenditures for furnace or boiler replacements in rental property. As stated above, landlords are responsible for maintaining safe, operable heating

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systems in rental units. Therefore, heating units which are inoperable or create a health and/or safety hazard when operated are strictly the responsibility of the landlord. **This requirement may be waived by the state depending on the funding level.**

Weatherization funds may, however, be used to upgrade the efficiency of heating systems in rental property by retrofitting existing equipment, or through the replacement of heating equipment. Retrofit costs are to be limited to not more than \$500.

2.05.1 Landlord Participation and Obligations

2. All landlords may be required to contribute a minimum of \$150 per unit weatherized towards the weatherization of their rental property. Individual subgrantees may establish their own policy for minimum landlord contributions providing it exceeds the \$150 minimum requirement. **This requirement may be waived by the state depending on the funding level.**

In those instances in which the landlord chooses not to contribute, the minimum contribution may be donated by another source on behalf of the tenant. Where the minimum contribution cannot be raised, the subgrantee may only apply general heat waste measures to the unit, such as caulking, weather-stripping, plastic storm windows, etc.

If, for any reason, the landlord is unable to meet the minimum contribution requirement and the effect of withholding weatherization services would be judged to cause a hardship on the client, the subgrantee may request a waiver to the minimum contribution requirement.

All landlord contributions received by an agency must be used to offset the cost of weatherization labor. Each subgrantee shall report the receipt and expenditure of landlord contribution on a monthly basis.

3. Under North Dakota law, landlords have the following obligations to the renter and rental units:

- a. Comply with the requirements of building and housing codes relating to health and safety.
- b. Arrange for or make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition. The tenant must give the landlord reason-able notice and a reasonable amount of time in which to make repairs. (The definition of reasonable very often depends on the needed repair.)
- c. Keep all common areas in a clean and safe condition.

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4. In consideration of the weatherization services/improvements provided by the **AGENCY**, the **LANDLORD** agrees to the following:

a. Financial Participation

The landlord agrees to participate financially in the completion of weatherization services by:

b. Other Agreements

The terms of this Agreement will be incorporated into any other Agreement between the **LANDLORD** and **TENANT**, and if there is any conflict between this Agreement and the provisions of such other Agreement, the provisions of this Agreement shall govern.

c. Rent Increases

By entering into this Agreement, the **LANDLORD** and his or her heirs or assigns agrees not to increase the rent for the PREMISES above the current monthly rent (\$) for a period of twelve (12) months from the date of the completion of weatherization improvements.

d. Repairs

The **LANDLORD** agrees to make the repairs/improvements to the PREMISES, specified on Attachment A before weatherization improvements/services are provided by the **AGENCY**.

e. Termination of Tenancy

The **LANDLORD** agrees that for the term of this Agreement there shall be no termination of **TENANT**'s tenancy except for one of the following reasons:

- 1) The **TENANT** fails to pay rent to which the **LANDLORD** is legally entitled.
- 2) The **TENANT** is causing substantial damage to the PREMISES, causing or permitting a nuisance to exist, or is interfering with the safety or comfort of the occupants of the same or adjoining PREMISES.
- 3) The **TENANT** has been convicted of using the PREMISES to commit a felony.
- 4) The **TENANT** has violated a covenant of tenancy or lease.
- 5) The **TENANT** has refused the **LANDLORD** reasonable access to make inspection or repairs.
5. The **LANDLORD** agrees to make a reasonable effort to lease the unit to a low income person(s) (as defined by 10 CFR 440.22 (a)(1)) in the event that the **TENANT** terminates tenancy prior to the expiration of this Agreement.
6. The **LANDLORD** agrees that in the event of the sale of the PREMISES prior to the expiration date of this Agreement, the **LANDLORD** will comply with one of the following conditions:
 - a. Reimburse the **AGENCY** for the cost of weatherization materials installed by the **AGENCY** as of the date of sale.
 - b. Transfer the **LANDLORD** obligations under this Agreement to the purchaser of the PREMISES as part of the sale.
7. Failure on the part of the **LANDLORD** to follow the terms of this agreement will result in the cost of weatherization materials installed to be reimbursed by the **LANDLORD** to the **AGENCY**. Should the breach result from an increase in the rental rate, the **TENANT** shall be entitled to recover all monetary amounts in excess of the rental amount contained in this agreement.
8. This Agreement shall begin on (month), (day), (year) and expire twelve months from the date the weatherization improvements/services are completed. (The completion date is defined as the date on which the final inspection was completed by the **AGENCY**. That date will be

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recorded in the weatherization file, and the *AGENCY* will inform all parties to this agreement of the completion date).

LANDLORD

DATE

TENANT

DATE

AUTHORIZED AGENT OF AGENCY

DATE

ADDRESS

ADDRESS

ADDRESS

2.05.3 Multi-family Rental Housing

Multi-family rental units are eligible for weatherization assistance based upon the following eligibility criteria and options:

Type of Rental Property Where Eligible Household Resides Local Agency Options

1. Single Family Structure Services may be provided to the entire structure at an average cost not to exceed the maximum average dollar amount allowed by DOE per unit in materials.
2. Duplex There are two options:
 - a. The eligible unit alone may be addressed. This would count as one completed unit.
 - b. The duplex as a whole can be addressed providing that both units are eligible.
3. Triplex/Four-plex There are two options:
 - a. The eligible unit alone may be addressed. This would count as one completed unit.
 - b. If there are two eligible units in the triplex or four-plex, you may still go with option a., or you may address the entire structure utilizing not more than the product of the number of eligible units X the average allowed per unit. All three units count as completed units for the triplex. All four units may count as completed units if weatherization materials are installed in all units.
4. Multi-family rental property is a five plex or larger There are two options:
 - a. Only each eligible unit may be addressed individually if the multi-family structure contains less than 66% eligible households. No "common" areas can be addressed. Only eligible households count as completed units.
 - b. If 66% or more units contain eligible households, agencies may take option a. or they can address the entire structure as a whole, utilizing no more than the product of the number of eligible units X the average allowed per unit. If option b. is selected, the actual

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number of units counted may not exceed 1 unit per each 400 sq. ft of living space (no common areas).

DOE funds may be used to repair or replace heating systems due to Health and Safety or Efficiency concerns on both rental and owner occupied dwellings. Rental units that are 100% non-profit and rent solely to low income clients may address heating systems in multi-family dwelling. Approval from the State is required on systems with costs of greater than \$15,000. Cost sharing from the landlord on heating systems costing more than \$15,000 may be required.

2.06 Program Management

2.06.1 Overview

2.6 Program Management

2.06.01 Overview - Organization

The following is a description of the background, structure, functions and programs of the Division of Community Services (DOC). Following these descriptions is a brief discussion of issues surrounding the programs administered by the office.

2.06.01.01 Background

The Department of Commerce's Division of Community Services has evolved since 1979 when it

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was first established as the Federal Aid Coordinator's Office. While the office has existed as part of a number of State agencies during this time, the functions of the office have remained relatively constant. They are:

- Administration consisting of fiscal and clerical support;
- Energy Conservation Programs;
- Low Income Assistance Programs;
- Community Development consisting of the CDBG Program; and
- Governmental Assistance which provides assistance and analysis services to the Governor's Office; performs some of the remaining functions of the Planning Division; and provides administrative support to the Director of the DOC.

Exhibit 1 shows the current organizational structure of the DOC. The fifty-second Legislative Assembly approved the additional function within the Office of Building Code/Americans with Disabilities Act Implementation.

Over ninety-six (96%) percent of the office's 1991-93 budget of \$28.3 million is Federal and other funds subject to Federal and other judicially imposed regulations. It is necessary that, in addition to the programmatic functions, the office maintain a fiscal support function to track and account for the numerous grants and sources of funds.

North Dakota Community Action Agencies

REGION II

Willy Soderholm
Community Action Opportunities, Inc.
2020 8th Ave SE
Minot, ND 58701

REGION III

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Perry Lundon
Dakota Prairie Community Action Agency
223 4th St.
Devils Lake, ND 58301

REGION IV

Kent Keys
Red River Valley Community Action
1013 North 5th Street
Grand Forks, ND 58203

REGION V

James Kappel
Southeastern ND Community Action Agency
3233 South University
PO Box 2683
Fargo, ND 58108

REGION VI

Kathy Williams
Community Action Region VI, Inc.
1311 12th Ave. NE
PO Box 507
Jamestown, ND 58402

REGION VII

Brenda Christensen

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Community Action Program Region VII, Inc.
2105 Lee Avenue
Bismarck, ND 58504

REGION VIII

Erv Bren
Community Action Partnership
202 East Villard
Dickinson, ND 58601

BRANCH OFFICE

Community Action & Development Program
316 2nd Avenue West
Williston, ND 58801

Name
Type of Organization
Typical
Allocation
Average Annual # Units Completed
Congressional District
REGION II

Private Non-Profit

10 -15. %

155

1

REGION III

Private Non-Profit

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5 - 10%

148

1

REGION IV

Private Non-Profit

10 – 15%

173

1

REGION V

Private Non-Profit

15 -20.0%

216

1

REGION VI

Private Non-Profit

10 – 15%

138

1

REGION VII

Private Non-Profit

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15 – 20%

231

1

REGION VIII

Private Non-Profit

15 – 20%

287

1

2.06.1.2 Programmatic Functional Areas

The current activities of the DOC focus upon the functional areas of Community Development, Energy Conservation, Low Income Assistance, and Governmental Assistance. The following are brief summaries of the activities associated with each area:

Community Development: The Federal Community Development Block Grant (CDBG) Program is the focus of DOC's community development activities. The CDBG program provides financial assistance to eligible cities and counties in the form of grants and loans for Public Facility projects, Housing Rehabilitation projects, and Economic Development projects. These projects must be of benefit to low and moderate income households.

Energy Conservation: The energy conservation activities of DOC encompass the federally funded State Energy Conservation Program (SECP), the Energy Extension Service (EES), the Institutional Conservation Program (ICP), and Oil Overcharge Restitution programs. Within these programs, energy conservation assistance is provided in the form of workshops, publications, and information to the general public; grants to schools, hospitals, nursing homes, local governments, small businesses, and state institutions for energy conservation improvements; and outreach programs to residential consumers and small businesses.

Low Income Assistance: The low income assistance activities within DOC center around the Federal Weatherization Assistance and the Community Services Block Grant (CSBG) programs. The Weatherization Program provides low income households with assistance through the

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purchase and installation of weatherization measures such as insulation, caulking, weatherstripping, and furnace repairs. The CSBG program provides, through the state's seven Community Action Agencies (CAAs), emergency assistance, outreach, and budget and housing counseling to low income households. Clients can also participate in the Self Reliance Program to increase social and economic self sufficiency.

Governmental Assistance: Governmental Assistance services consist of research and analysis services to the Governor's office and the Director of the Office of Management and Budget; the collection and maintenance of statewide Energy Supply and Consumption Data; the Census Data Center Program; the review and comment on federal funding and development applications; and technical assistance to units of local government.

Building Code/Americans with Disabilities Act (ADA): The Building Code/ADA activities within DOC include planning, directing, and managing the implementation, education and compliance of all State and Local Government Facilities, and public accommodations with the Handicapped Accessibility requirements of the Americans with Disabilities Act. This section is also charged with the administration of the State Building Code and with the preparation and maintenance of a Comprehensive Housing Affordability Strategy (CHAS) which governs the use of eleven (11) major Federal Housing Programs administered within DOC and other state and local agencies statewide.

2.06.13 Administrative Expenditure Limits

The State of North Dakota and its subgrantees will not use more than 10% of any Weatherization Assistance grant for administrative purposes. Normally, seventy-five percent of the available administrative funds will be allocated between subgrantees based on their prorated share of the grant. The State of North Dakota will retain twenty five percent (2.5% of the grant) of the administrative funds to pay for its expenses. On certain grants the state will allocate 80% of the available administrative funds to the agencies while retaining 20% for the states administrative operations.

2.06.03 Monitoring Approach

2.06.03 Monitoring Approach

2.06.03.01 Overview

The Department of Commerce Division of Community Services continually monitors Weatherization Program subgrantees both in-house and onsite. Monitoring is undertaken to evaluate subgrantee compliance with required fiscal procedures, performance goals, and

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weatherization priorities and to observe the quality of work performed by weatherization crews, identify specific problems and instigate corrective action. The monitoring of Weatherization Subgrantees is the principal method by which DCS identifies areas for potential improvement in the areas of program operation and administration. The monitoring approach is viewed as an occasion for providing assistance to Weatherization Agencies to assist them in becoming more efficient and effective when delivering services.

Program monitoring focuses primarily upon subgrantee management procedures such as records management, reporting methods, inspection, procurement and production. The Subgrantees monitoring program is comprised of three elements: fiscal control, program review, and technical inspection.

Fiscal control is accomplished through the analysis of the monthly reports submitted by each subgrantee. The monthly reports are consolidated into a monthly weatherization pro-gram summary, which provides monthly and cumulative financial and production data for each subgrantee. In addition, financial personnel from the DCS will conduct on-site fiscal reviews of each subgrantee during the program year. The fiscal review focuses upon compliance with federal financial management guidelines and agency fiscal policies and procedures.

Technical inspections will consist of the State's Residential Energy Technical Specialist visiting at least 5 weatherized units at each agency for the purpose of monitoring compliance with the North Dakota Weatherization Field Standards. But while, their first priority is to insure compliance with the Standards, their observations of current techniques being utilized in the field is viewed as an opportunity to train and educate crews on alternative approaches to weatherization. Where common deficiencies are noted at a number of Agencies, statewide trainings are planned

The Program Manager also reviews the administration and record keeping in the same manner; first reviewing for program compliance while always looking for areas where the Agency may reduce the time and cost of program administration. As a result client files have become more complete, many forms have been standardized, bulk purchasing has been implemented and the quality of continues to improve.

2.06.03.02 Monitoring Areas

a.**Audit** - An annual audit, as required by contract agreement, shall be monitored by DCS to verify information received on quarterly reports and clarify questions raised by DCS, the subgrantee and/or the auditor.

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b. In-House - All quarterly reports shall be monitored by DCS to determine compliance with program requirements, monitor spending patterns and chart program progress. Any irregularities or questions raised by the in-house review will be sufficient reasons to schedule an on-site review.

c. On-Site Review - DCS will conduct an on-site review on an annual basis and when deemed necessary. The on-site review shall consist of programmatic and technical staff from DCS. The following items at a minimum shall be reviewed.

Financial Records - Fiscal control is accomplished through the analysis of the monthly reports submitted by each subgrantee. The monthly reports are consolidated into a monthly weatherization program summary, which provides monthly and cumulative financial and production data for each of subgrantee. In addition, financial personnel from the DOC will conduct on-site fiscal reviews of each subgrantee during the program year. The fiscal review focuses upon compliance with federal financial management guidelines and agency fiscal policies and procedures to include but not limited to: general ledger, bank statements, checks, audit reports, financial statements and other records necessary for their view of the financial records.

Inventory System - Including but not limited to purchasing system, controls, perpetual inventory, financial records and other records deemed necessary by the reviewer.

Client Files - For accuracy, completeness, demographic information and proper reflections of work needed/work completed, client eligibility and inspection of work.

Work Completed - Homes shall be reviewed to determine: quality of work, completeness of work, conservation measures installed follow a computerized methodology to determine cost effectiveness, geographic distribution, proper documentation in client files, client satisfaction and other information deemed necessary by the reviewer.

d. Subgrantee Post-Installation Inspection - Each weatherized unit must be inspected by the subgrantee to ensure that the work is in compliance with required specifications before the unit is reported to DCS as completed. A complete inspection, signed by the subgrantee's inspector shall be placed in each job file.

e. Subgrantee Review - A copy of individual subgrantee reviews shall be sent to each subgrantee upon the completion of the review. If deficiencies in agency program operations indicate non-compliance with the North Dakota Weatherization Program Policies and Procedures, the

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North Dakota Field Standards or the federal rules and regulations, DCS will respond by working with the deficient subgrantee to correct deficiencies and taking the action deemed necessary to insure future compliance.

f. Provide Training and Technical Assistance - T&TA activities are intended to maintain or increase the efficiency, quality, and effectiveness of the Weatherization Assistance Program at all levels. Such activities should be designed to maximize energy savings, minimize production cost, improve program management, and/or reduce the potential for waste, fraud and abuse.

2.06.3.3 Monitoring Goals and Procedures

- a. At least 5% of the dwelling units completed during 2010 program year will be inspected by the Division of Community Services personnel or a contract monitor. At the time of the annual program review, a random sample of recent completions will be selected for inspection by the DOC monitor.
- b. The program monitor will review at least Ten (10) client files, in addition to those subject to physical inspection during the monitoring visit. This will result in approximately 5% of all client files (DOE & LIHEAP) being reviewed by monitoring personnel.
- c. The physical inspection will address the quality of materials and their installation. The inspector will obtain information on the type of materials used on homes subject to inspection, and compare specifications with those listed in CFR 440, Appendix A.
- d. The program and fiscal monitoring process will include an analysis of materials and contractor procurement procedures. Material costs for commonly used items will be obtained from the agency and compared with the prices paid by other sub-grantees. Procurement records will be reviewed to determine if materials were purchased in reasonable quantities and if free and open competition was permitted in the procurement of materials and services.
- e. The Residential Energy Technical Specialist (RETS) will compare work orders with audit priority lists to determine if the lists are used and, where deviations from the priorities were observed, there is adequate written justification. The final inspections performed by sub-grantees will be cross checked by the RETS. Oversights will be noted in the inspection report and appropriate follow-up actions will be required.

The inspection procedure for each home will evaluate compliance with the North Dakota Weatherization Field Standards, the computerized audit priority list and quality of work. The

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RETS will review each client file for content of required documentation, including an approved application, job order, inspection form and purchase orders or warehouse slips for the materials applied. A physical inspection of the unit is then conducted. The inspection will follow an inspection checklist. Discrepancies or deficiencies will be recorded on the checklist. The physical inspection consists of visual examination of the exterior and interior of each dwelling to confirm the presence of materials as listed on the job order and assess the quality of workmanship. The inspector will determine if compatible caulking and weather-stripping is used and if all materials conform to the field standard requirements. Normally the RETS will be accompanied at on-site visits by a representative of the sub-grantee, usually the weatherization coordinator or an estimator. Any findings and recommendations for improvement will be discussed with the sub-grantee on site, during a meeting with the weatherization employees, during an exit interview with the agency director and in writing as part of the monitoring report. Fiscal or programmatic deficiencies identified in the monitoring process will be address in the following manner:

- a. The sub-grantee will be informed of any deficiencies. If there are deficiencies, the monitoring report will contain specific recommendations for improvement.
- b. A follow-up of the sub-grantee's effort to implement recommendations will be conducted within a prescribed period of time.
- c. Training sessions will be conducted to resolve shortcomings that are apparently widespread among sub-grantees.
- d. Ineligible expenditures of material, program support or administrative funds will be disallowed. The sub-grantee will be required to reimburse disallowed costs from non-federal funds.
- e. If remedial measures fail to eliminate significant fiscal or programmatic problems, the Division of Community Services has several options:
 - 1) Institution of probationary reporting procedures;
 - 2) Converting sub-grantee payments from advance to a reimbursement basis; and
 - 3) Suspension or termination of grant award.

2.06.04 Training and Technical Assistance Approach

2.06.04 Training and Technical Assistance Approach

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Training needs are determined by a review of program monitoring reports and by observations made by the State Residential Technical Specialist, recommendations from the State Weatherization Technical Committee as well as from input from local coordinators, estimators and crew members. North Dakota weatherization program sub-grantees are currently monitoring for compliance to the North Dakota State Weatherization Program Field Standards and will continue to direct the bulk of their training activities towards the implementation and perfection of these standards.

In addition, the State Residential Energy Specialist will assist and visit agencies to deliver individualized training, depending on the needs of that agency. The needs will be determined by the monitoring process and requests from the coordinators, estimators and crews.

Training needs are determined by a review of program monitoring reports and by observations made by the State Residential Technical Specialist, recommendations from the State Weatherization Technical Committee as well as from input from local coordinators, estimators and crew members. North Dakota weatherization program sub-grantees are currently monitoring for compliance to the North Dakota State Weatherization Program Field Standards and will continue to direct the bulk of their training activities towards the implementation and perfection of these standards.

In addition, the State Residential Energy Specialist will assist and visit agencies to deliver individualized training, depending on the needs of that agency. The needs will be determined by the monitoring process and requests from the coordinators, estimators and crews.

Sub-grantees will be authorized to use T&TA funds for the following activities:

- 1) Attendance at state and national training seminars.
- 2) Purchase of equipment needed for associated training approved by the DCS.
- 3) Continuing refinement of state and local weatherization data management systems.
- 4) Periodic meetings with DCS personnel.
- 5) Interagency visits and joint training exercises.
- 6) Trial application of new weatherization techniques or measures and the correction of any problems that may result during the trial of new weatherization techniques.
- 7) Dissemination of client education materials, as provided by DCS.

Training in 2010 will cover:

1. State Conference agenda training and classroom sessions. A three day training and conference will be held to address agency training need as well as sharing crew presentations from each agency. Awards and presentations will also be given out. All the Weatherization personnel are expected to participate.
2. Agency specific individualized training based on audit findings. The State Energy Specialist will visit each agency and spend time with the crew to give needed training and observe weatherization practices. Each agency will be visited at least once. Additional visits are possible

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if required.

3. Coordinator Diagnostic Training. Trainings will take place at all the coordinator meetings to address all the diagnostic and infield tests that the crews and furnace technician presently undertake. Final inspections training will also take place.
4. Foreman Certification training. Foreman will be trained and tested on four separate days concerning furnace operation, weatherization techniques, construction details and diagnostics. All foremen in the state will be mandated to take the course and the test. It is our intention to raise the level of expertise within the program by establishing criteria and testing for each level of positions in the weatherization department.
5. Training and development of the WXpro Software auditing tool will take place during the 2008-2009 DOE Program year.
6. Software Expenses are shared between Administration and T&TA. The Software (WXEOR), that calculates the SIR, develops a work, and stores reporting information will be purchased by the state to be used in developing a comprehensive software package that will be used by both the state and local agencies. The state will have access to the data on-line and the agencies will have a fully operating package that will include inventory, SIR, Job Costing and reporting capabilities.
7. Obtain/develop client education materials and program.
8. Trial application of new weatherization techniques or measures and the correction of any problems that may result during the trial of new weatherization techniques.
9. The state will be offsetting the costs of sending agency crew personnel to the ACI conference, National DOE or Regional DOE conferences.

2.06.4.1 Allocation of T&TA Funds

DCS will allocate T&TA training funds to subgrantees based on the number of full time staff employed by the 2008 Weatherization Assistance Program to be used to meet their training and technical assistance needs. Subgrantees need to prepare a T&TA plan detailing how the training funds will be expended. The following is a list of eligible costs that may be incurred under the T&TA category.

- a. Registration costs for conferences, meetings, workshops and other related energy functions.
- b. Travel, lodging, meals and parking to attend activities identified in a. above.
- c. The purchase of specialized equipment or tools. No equipment or tools used in normal day to day weatherization activities are to be purchased with T&TA funds. Such items should be purchased with "DOE Program" or other funds.
- d. Subscriptions to magazines, newsletters and memberships.

- e. Other energy related functions, activities or events not mentioned in a. - d. above.
- f. Interagency visits and joint training exercises.
- g. Trial application of new weatherization techniques or measures and the correction of any problems that may result during the trial of new weatherization techniques.
- h. Periodic meetings with DCS personnel
- i. Dissemination of client education materials, as provided by DCS.

DOC will retain a total of \$1,114,260 available in T&TA funds for use in state-level monitoring, training and consumer education activities. Monitoring activities are described in Section D of this document. Training costs incurred by the DOC will include contract trainers, Classroom facilities, equipment and materials.

Training needs are determined by a review of program monitoring and inspection reports and input from the Weatherization Technical Committee. Attendance at state training sessions is mandatory. However, the DOC does not issue or require certification of crew members, estimators or inspectors at this time.

